

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Tennessee to the fact that the unanimous-consent agreement adopted was that no other business should be transacted to-day after the disposition of the pension bills.

Mr. LEA. I asked the Chair if the agreement would prohibit the calling up of other matters afterwards.

The PRESIDING OFFICER. Yes; but later the request for unanimous consent was modified, and as modified it was agreed to by the Senate.

The question is on agreeing to the motion of the Senator from North Dakota, that the Senate adjourn.

The motion was agreed to, and (at 4 o'clock and 33 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, May 22, 1912, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

TUESDAY, May 21, 1912.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, be with us in the onward march of civilization, lest we forget that nothing endures which is not in accordance with the laws which Thou hast ordained; lest history repeat itself in the downfall of our Republic. Make us, therefore, wise, just, pure, noble in our conceptions, that Thy will may be done in us, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

### REPORTS ON THE COTTON CROP.

The SPEAKER laid before the House the bill H. R. 14052, an act authorizing the Secretary of Agriculture to issue certain reports relating to cotton, with Senate amendments.

The Senate amendments were read.

Mr. LEVER. Mr. Speaker, I move that the House concur in the Senate amendments.

Mr. COLLIER. Mr. Speaker, I would like to ask the gentleman from South Carolina a question. Do these Senate amendments make any change in the date of making the report from those dates in the bill as passed by the House?

Mr. LEVER. It does not change the date as to making the report on the condition, but it does change the date as to the acreage.

The motion of Mr. LEVER was agreed to.

### LEAVE OF ABSENCE.

Mr. KENDALL, by unanimous consent, was given leave of absence for 12 days, on account of important business.

### PANAMA CANAL.

Mr. ADAMSON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 21969, designated as the Panama Canal bill. Pending that, I would like to propose a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ADAMSON. There are two contested sections to which it is understood we will return for more elaborate consideration. I want to submit a request, either in the House or in the committee, to limit the debate on these two sections. Ought that to be made in the House or in the committee?

The SPEAKER. The Chair thinks in the House.

Mr. MANN. It could be made in either.

The SPEAKER. The Chair thinks so, too.

Mr. ADAMSON. Then, Mr. Speaker, I will make the request in the committee.

The motion of Mr. ADAMSON was agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. LLOYD in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 21969, of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 21969) to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone.

Mr. FOWLER. Mr. Chairman, I would like to ask what the parliamentary situation of this bill is now.

The CHAIRMAN. The Chair understands that the gentleman from Illinois has an amendment pending.

Mr. FOWLER. Mr. Chairman, I desire unanimous consent that the vote on that amendment may be passed until there is a quorum in the House. I do not desire to obstruct the business of the bill, but I would like very much to wait until there is a quorum before there is a vote taken on that amendment.

Mr. ADAMSON. Mr. Chairman, reserving the right to object, I want to say that it is not our fault that there is difficulty about obtaining a quorum. Some of our committee have studied this question 15 years—studied the judicial system and the difference between running a government with a large population, prosperous at home, and running a machine shop and a business institution on the Canal Zone.

It may be material and it may not. A jury trial is already provided by existing law in the zone. There is plenty of time to amend and change that law before the canal is ever opened if our committee or Congress decides that it ought to be done. If gentlemen who are not on the committee, who have not studied the question so much, feel it their duty to drive their little contentions to that extreme that they will call for a quorum and suspend the business of the House, then gentlemen can do it on their own responsibility. We have already passed several sections of the bill, and we want to get on with this work, but I want to say now that it is our duty and desire to get through with this bill to-day. I do not want to say anything or put anything in the RECORD that would look like criticism of my colleagues who may not be present, or of where they go in their absence, but if the point of no quorum is made at any time when we are voting on important sections of this bill, I do not think I shall object to Members being sent for and being brought here. It will not be my fault. I object to this request.

Mr. FOWLER. Mr. Chairman, I desire to amend my amendment by substituting the word "either" in the latter part of the amendment in place of the word "any."

The CHAIRMAN. Without objection the amendment will be so modified.

Mr. MANN. Mr. Chairman, let us have the amendment read.

The CHAIRMAN. The Clerk will report the pending amendment. The Chair will ask the gentleman from Illinois to indicate exactly what his amendment is.

Mr. FOWLER. Mr. Chairman, my amendment applies to section 8, page 11, striking out the word "any" in lines 14 and 15.

The CHAIRMAN. Will the gentleman please state his amendment in the form in which he now presents it?

Mr. FOWLER. I have not the exact wording of the amendment.

Mr. MANN. Mr. Chairman, the amendment will be found at the bottom of the second column on page 7804 of the RECORD.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows.

Page 11, line 13, strike out the words "and a jury shall be had in any criminal case or civil case at law originating in said court on the demand of either party" and insert in lieu thereof the words "and in any civil or criminal case in said court a jury shall be afforded on the demand of any party."

Mr. FOWLER. Mr. Chairman, I desire to amend that by inserting the word "either" in place of the word "any."

The CHAIRMAN. Without objection, the amendment to the amendment will be agreed to.

There was no objection.

The CHAIRMAN. The question recurs on the amendment of the gentleman from Illinois.

Mr. ADAMSON. Mr. Chairman, debate on the amendment is exhausted.

Mr. FOWLER. But debate on the amendment to the amendment is not exhausted.

The CHAIRMAN. The amendment to the amendment has been agreed to, however.

Mr. ADAMSON. Mr. Chairman, let us have a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. FOWLER) there were—ayes 6, noes 36.

Mr. FOWLER. Mr. Chairman, I make the point of order that there is no quorum.

The CHAIRMAN. The Chair will count.

Mr. BARTLETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARTLETT. Mr. Chairman, what was the gentleman's point of order? He said he made the point of no quorum. I make the point of order that there is no such point of order—that there is no quorum.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum.

Mr. BARTLETT. But that is not a point of order that can be made.

Mr. FOWLER. Mr. Chairman, if the gentleman desires to be technical, I make the point of order that there is not a quorum present.

Mr. BARTLETT. That is all right.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members present, a quorum. The Clerk will read.



Mr. BORLAND. Mr. Chairman, I desire to offer an amendment to section 8, page 11, lines 13 and 14, to strike out the words "originating in said court."

Mr. ADAMSON. Mr. Chairman, I make the point of order that that is substantially the same amendment that we have just voted down.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 11, lines 14 and 15, strike out the words "originating in said court."

Mr. ADAMSON. Mr. Chairman, the point I make is that we have just voted down substantially the same amendment; not in the identical language, but it amounts to the same thing.

Mr. BORLAND. Mr. Chairman, it is entirely within the province of the House to vote down certain language and adopt other language.

Mr. ADAMSON. Mr. Chairman, I withdraw the point of order.

Mr. BORLAND. Mr. Chairman, this amendment, by striking out the words "originating in said court," will have the effect of giving a jury trial in this district court, which is to be a court of record, the general court of record in the zone in all cases, whether the cases originate in that court or whether they be transferred to the court by appeal from the magistrate's court. That is the common practice in every State in the Union.

Mr. GOLDFOGLE. Mr. Chairman, it is not the practice in New York to give a jury trial after a judge has decided the facts and the law. The gentleman is in error in a statement that that is so in every State in the Union.

Mr. BORLAND. Mr. Chairman, I believe that that statement is generally correct; that it is the common practice; that when a case is appealed from a court not of record to a court of record the party has the right of trial by jury provided by the rules and practice of the court of record. There is no reason why a man who has happened to be prosecuted criminally in a magistrate's court and who then makes an appeal in order to get what he believes to be justice should be denied the privilege he would have had if he had been prosecuted originally in a higher court.

Mr. GOLDFOGLE. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. GOLDFOGLE. Would not the gentleman trust the judge of this appellate court with the duty of reviewing the action of the magistrate's court in cases arising in the magistrate's court that are very simple indeed?

Mr. BORLAND. Well, I will say to the gentleman they are not simple to the defendant who happens to be prosecuted.

Mr. GOLDFOGLE. Has not the gentleman confidence in the judge of the appellate court to make a fair review of the action of the court below?

Mr. BORLAND. I will say to the gentleman from New York that my confidence in a particular judge is not the question at issue, but it is a question whether an American citizen who happens to be prosecuted, as he believes, unjustly in a court not of record and has been given a right of appeal as he ought to a court of record ought not to enjoy there what he feels he ought to enjoy, a trial by jury. Any confidence of the gentleman in a particular judge is not the question at issue at all. It is a question of whether we will preserve there the American ideals which we think ought to apply to courts. Now, I am not a critic of courts. I am not one of those men going around the country demagoguing about mistakes of courts. All courts are subject to mistakes, all courts are subject to personal bias, all courts are made up of judges who are merely human. There is only one safety, and that is a rule of law and not a rule of men. I do not care if we have the best men to administer affairs, we have fought for a thousand years for a government by law and not by virtue of a particular man who happens to occupy a particular office. [Applause.] And we have no more reason to trust a judge without a trial by jury when the case is appealed than if it were originally brought in his court.

Mr. BARTLETT. Will the gentleman permit me a question?

Mr. BORLAND. Certainly.

Mr. BARTLETT. Does the gentleman from Missouri have a trial by jury and an appeal from a police judge's court where a fine is imposed for a petty violation of the law?

Mr. BORLAND. No; we do not.

Mr. GOLDFOGLE. That is what you do in this case.

Mr. BORLAND. We have in Missouri, and you have in every State in the Union, a general principle that the police court organization of the municipality is only a quasi criminal court. It is not a criminal court, and if it were it could not exist. It is established to enforce certain by-laws or ordinances of the city, and therefore its proceedings are not particularly

criminal. When they are appealed to the criminal court of the county they retain the form they originally had in the police court. I have never seen really the reason for distinction between a quasi criminal prosecution in a police court and a criminal prosecution in a justice of the peace court. Every city man knows that distinction exists.

Mr. BARTLETT. Mr. Chairman, I yield to no man in this House or elsewhere my reverence and love for the right of trial by jury. I am familiar with the history of the Anglo-Saxon people and the struggles by which they secured that inalienable and valuable right to themselves, and the means by which we have secured it; but I do not believe it is any violation of that sacred right, nor a violation of our duty to preserve it to everyone who shall be tried in an American court or in a court constituted by the legislators in the American Congress, that the petty offenses described in this bill, which are to be tried before a municipal or police judge, should be tried by a jury. The question has time and time again been before the courts, in which it has been determined that, even where men are tried in a police court and not only fined and imprisoned for days and months, that such imposition was a violation of the Constitution of the United States—

Mr. FOWLER. Will the gentleman permit me to ask him if, under the provisions of this bill, a corporation or a trust could not clandestinely have a suit brought against them in the magistrate's court and then take an appeal to the district court and have it tried by a judge who might be friendly to them and evade a jury trial?

Mr. BARTLETT. I do not know what trust would bother about a \$300 case in a small court on the Isthmus of Panama.

Mr. FOWLER. I asked particularly if that can be done.

Mr. BARTLETT. Where \$300 was involved—I do not think they would bother themselves with a case involving \$300. If it were \$300,000,000 it might be different.

Mr. FOWLER. But could not they have the suit brought before the judge instead of giving the people the right to have a trial by jury if they wanted to do that?

Mr. BARTLETT. With all due respect to my friend from Illinois, I do not think there is anything in the suggestion, and therefore I will not undertake to answer it.

Mr. FOWLER. One other question: I will ask the gentleman if the Constitution does not provide that all civil actions, where the sum involved is below \$20, shall be tried by a jury?

Mr. BARTLETT. No; it does not; it provides that all common lawsuits shall be tried by a jury.

Mr. FOWLER. Civil means common law.

Mr. BARTLETT. Oh, no; we have common-law equity suits, and the Supreme Court has decided that we need not decide an equity suit by a jury.

Mr. FOWLER. If it be true, I will ask the gentleman if it will not contravene the Constitution upon that question when you force men to have suits tried up to \$300 and deprive them of a right of trial by jury.

Mr. BARTLETT. I do not think so, nor do I give my own opinion in saying so, but simply give the decisions of the courts of the United States upon that subject.

Mr. CANNON. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes.

Mr. ADAMSON. Mr. Chairman, I shall have to object to any extension of time, but I am willing for the gentleman from Illinois to ask his question.

Mr. CANNON. If the Constitution, according to the contention of my colleague from Illinois, guarantees a jury trial, what objection is there to this legislation; why do gentlemen disagree; because you can not repeal the Constitution by an act of Congress?

Mr. BORLAND. But the gentleman knows the Constitution does not apply to Panama.

Mr. CANNON. I was answering my colleague from Illinois.

Mr. BARTLETT. Of course, the gentleman from Illinois is right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the Chairman announced the yeas seemed to have it.

Upon a division (demanded by Mr. BORLAND) there were—ayes 22, yeas 48.

So the amendment was rejected.

Mr. BORLAND. Mr. Chairman, I desire to submit another amendment to section 8, as follows:

Line 20, page 10, strike out the words:

"The rules of practice in such district court shall be prescribed or amended by order of the President."

The CHAIRMAN. The Clerk will report the amendment.



The Clerk read as follows:

Page 10, lines 20 and 21, strike out the following:  
"The rules of practice in such district court shall be prescribed or amended by order of the President."

Mr. BORLAND. Mr. Chairman, this district court which is sought to be created by this section is one district court for the entire zone, and the salary of the judge is the same as the salary of the United States circuit judges in this country, which is perfectly proper, and an appeal is given from that court to the fifth circuit court at New Orleans, which is proper and ought to have been done before.

Now, that makes that United States district court down there practically a United States district court. It is clothed with admiralty powers, and so on. Incident to its local operation it has this appellate jurisdiction over the local magistrate's court, but it will probably have a more extensive jurisdiction than that. It will have the general civil and criminal jurisdiction that the United States court has, an admiralty jurisdiction, and the jurisdiction the same as the United States district court in this country. A court of that kind should make its own rules of practice, but they should be prescribed as near in harmony as possible with the rules of practice in other United States courts. There is no reason why the exception should be made in this case and the rules of practice prescribed by the President. There is probably no advantage by the Executive order making rules of order for that court. Whenever the judge wants the rules established he will have to draw them up and ask that the President promulgate them or he will have to go to the governor, or whatever you call him, and ask him to ask the President. In that case he will be a mere dependent of the governor. That is a thing that ought to be prevented. The courts ought to be free from a governor down there, at least. If the court is free from the President, or the President in his multiplicity of duties could possibly give any attention to it, there would be something in its favor. But everybody here knows that the President can not give the slightest personal attention to the matter. He must sign an Executive order sent him by some one in whom he has confidence.

Mr. HAMLIN. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HAMLIN. Did not the gentleman a moment ago express some doubt as to the wisdom of the change down there and say he did not want to clothe him with too much power?

Mr. BORLAND. I do not think the gentleman could have misunderstood what I said. I am not a professional or political critic of the courts.

Mr. HAMLIN. Still, I understood the gentleman to raise some suspicion that he might not always be fair. What objection have you now to letting the President prescribe the rules that should govern?

Mr. BORLAND. The gentleman might want to go so far as to regulate the judge. I am not a professional or political critic of the courts, but the courts are now operating under this plan I have advanced, and lawyers have been satisfied with it and have found that it worked satisfactorily. Now, nobody would get up and advocate that the governor of a State should prescribe the rules of the State courts.

Mr. GOLDFOGLE. But this governor is so far removed from us here. He is down at the zone, and it would be much better to allow the rules to be made here.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BORLAND] has expired.

Mr. ADAMSON. Mr. Chairman, as we have often explained, we have not attempted to assimilate things down there to what is going on in the United States. The canal is as much a "sui generis" among other enterprises as a whale is among fishes or an elephant among animals. We have from the beginning consistently held the President responsible for everything of an administrative character down there. We did not think the people down there were ready to have put upon them the rules of the United States courts. The rules of the United States courts may ultimately be adopted. The only place we are trying to make the connection is on the appeal. We are arranging for them to be brought to the court of appeals at New Orleans in certain cases and carried to the Supreme Court of the United States.

The CHAIRMAN. The question is on the amendment of the gentleman from Missouri [Mr. BORLAND].

The question was taken, and the amendment was rejected.

Mr. BORLAND. Mr. Chairman, I move, on page 10, line 21, to strike out the word "President" and insert in lieu thereof the words "circuit court of appeals of the fifth circuit."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 10, line 21, strike out the word "President" and insert the words "circuit court of appeals of the fifth circuit."

Mr. BORLAND. Now, Mr. Chairman, there can be no possible objection by the chairman of the committee to that amendment. If he does not want to trust the judge down there to make his own rules, as is customary in courts and would be in the absence of any statutory provision, then let the rules be made by the judge of the court of appeals of the fifth circuit of the United States, and we can get away as far as we can from this government by Executive order.

Mr. ADAMSON. We appreciate the research and ability of the gentleman from Missouri [Mr. BORLAND], but our committee has studied hard on this matter and we think it is as it ought to be, and we ask the Members to stand by the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BORLAND].

The question was taken, and the Chairman announced that the yeas seemed to have it.

Mr. BORLAND. Division, Mr. Chairman.

The committee divided; and there were—ayes 11, yeas 70.

So the amendment was rejected.

Mr. ADAMSON. Mr. Chairman, I move that debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] moves that debate on this section and all amendments thereto close in 15 minutes.

The question was taken, and the motion was agreed to.

Mr. FOWLER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 10, line 24, by striking out, after the word "exceeding," the words "three hundred" and inserting in lieu thereof the word "fifty."

Mr. FOWLER. Mr. Chairman, this amendment, as is patent on its face, seeks to secure to the people, as nearly as possible, the right of trial by jury. There is no doubt in my mind but that the court which is established on the Canal Zone by this bill is a court for all intents and purposes under the laws of the United States. The territory belongs to the United States. It is territory in which the United States establishes a court. It is territory in which there is an appeal taken from the decisions of the court in that zone to a United States court at New Orleans, and I say, Mr. Chairman, that those people down there ought to have the right of trial by jury, in so far as it is possible to give them that right. The Constitution should follow the flag, and wherever it is unfolded to the breezes of heaven over territory owned by the United States, the Constitution should follow and be coextensive with the flag. Who will deny this proposition?

I stand here for the honest, sturdy poor, and claim for them the same rights that are claimed in the provisions of this bill for other men—men who can go in the court on business that involves a sum greater than \$300. No discrimination should be made against the citizen of small means. His rights are more dependent than those of the man of means.

I think, Mr. Chairman, that this amendment ought to pass. I do not desire to take up the time of the committee needlessly, but I want to emphasize the necessity of a strict adherence to the provisions of the Constitution—and especially in this case—the provision that gives to everyone that is charged with a criminal offense the right to a trial by jury, and in all common-law cases a right to trial by jury in cases where the sum involved exceeds the amount of \$20. To give these rights to the rich and deny them to the poor is an unjust discrimination which no one, in my opinion, can afford to sanction.

In reply to my distinguished colleague, the ex-Speaker [Mr. CANNON], when he intimates that this court down here is not under the jurisdiction of the United States and ought not to be termed a court of United States jurisdiction, I wish to say that the appeal power in this bill confers upon that court all the rights of having the cases of the litigants tried in the courts of the United States.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. Yes.

Mr. CANNON. In the first place, the gentleman in quoting me quotes me as saying something that I never said.

Mr. FOWLER. I beg the pardon of the gentleman, then.

Mr. CANNON. I am standing by this bill. That is all.

Mr. FOWLER. Well, if the gentleman does not contend that this court is not under the jurisdiction of the United States and is not a United States court, I beg his pardon and desire to withdraw my expressions in regard to him. But I so understood him, and I think the Members of the House so understood him. At least a Member who was on the floor of this House took up the question and said that the Constitution did not



follow the flag in respect to the courts established on the zone. I say that the Constitution ought to follow the flag in all territory owned by the United States over which the American flag floats, it matters not what territory it is or who its inhabitants are. Equal and exact justice should be dealt out to all and special privileges to none. The Declaration of Independence, the Stars and Stripes, and the Constitution are born of the same spirit, and the supremacy of one necessarily implies the presence of the other two. Who will dare to separate them in the Canal Zone? [Applause.]

Mr. CANNON. My esteemed colleague from Illinois is always strenuous, and I think he intends to be fair. Now, what I did say was—and I repeat it—that if the gentleman's contention be true, that on the Canal Zone the Constitution guarantees everybody there a jury trial, then any legislation that we might make could not repeal the Constitution. That is what I said, and I think the gentleman is a good enough lawyer to admit that I am correct. Now, then, so far as the Canal Zone is concerned, we have it for all practical purposes to operate this canal, and in operating this canal we could make it, if we desired it, a military reservation.

Mr. FOWLER. Mr. Chairman—

Mr. CANNON. One moment. We could make it a military reservation just as much as any Army post is a military reservation. We have plenary power in that matter, and in my own judgment practically it ought to be a military reservation, considering the semisavages on land adjacent to it—not all of them, but a very respectable number, speaking with the highest respect of the population down there—and on the sea all the people of the world have a very valuable canal costing \$400,000,000, with its locks, that might be dynamited. Practically, I say, it ought to be a military reservation for the preservation of the canal and the proper operation of the canal.

Now I yield to the gentleman.

Mr. FOWLER. Mr. Chairman, I desire to ask if it is not preferable to establish a military government there than to undertake to establish a civil court and undertake to deprive men of the right of trial by jury?

Mr. CANNON. Well, practically, reading this bill, I think it goes a long way toward making this a military reservation. But it does provide for the litigation of minor troubles that may come there, and does provide for a court. If you were to exclude the courts entirely from the Zone, as we could, I think we should establish them there, except in certain excepted cases. We need as much education touching our newly acquired possessions and touching the Canal Zone as they need. You can not measure their corn in the half-bushel or in the bushel as you would with your constituency, and give the same measure in the newly-acquired possessions as you would at home. Your constituency is competent for self-government.

Mr. FOWLER. Why not then strike out the provision about trial by jury entirely?

Mr. CANNON. Well, that is a matter for the gentleman to consider and voice his opinion upon. But, following my judgment, I believe this bill is fairly well drawn in the form in which it has been reported by the committee to the House.

Mr. FOWLER. Are you not in favor of giving the poor people the right of trial by jury the same as the rich people?

Mr. CANNON. Oh, as to the poor people and the right of trial by jury, you might get out a search warrant in that zone, and it would be questionable if you could find poor people or rich people enough to try other poor or rich people. Practically that zone will be and ought to be a military reservation.

Mr. FOWLER. Then why do you want a court there at all?

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. FOWLER) there were 2 ayes and 50 noes.

So the amendment was lost.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I notice that the bill provides that when the district judge is absent the President may designate a circuit or district judge of the United States to go to the zone. The bill having provided that the district judge may be absent six weeks during the year, which provides for an annual absence, and then under the provisions of this bill there would be a junketing trip for some district judge or judge of the circuit court to go to the zone, with mileage and per diem paid, every year. Why would it not be sufficient to do what was proposed in the previous bill—to allow the President to designate some one there to act as judge when the district judge is absent or incapacitated? What object is there in providing a trip with mileage and per diem every year for some United States district or circuit court judge to make a trip to the Canal Zone?

Mr. ADAMSON. In answer to that I want to say that we are trying to establish a court there of high character with a judge of great ability. The President might not be able to pick up a volunteer suited to the purpose. The expense of the trip down there is small in comparison with the danger of error in the dispensation of justice in admiralty and equity courts during the interim. It was thought that the President could always find one judge of the United States court who would not mind taking the trip.

Mr. MANN. I have no doubt of that, especially when he has his mileage and per diem.

Mr. ADAMSON. Whether it is a junketing trip or not I have nothing to say. I want the judge to have his traveling expenses and not junketing expenses, if I know what that word means. If he gets there all right and right side up, it is all right to hold the court until the regular judge returns and then return to the United States, and he ought to have his traveling expenses, which are not overmuch to the zone and back, and his per diem is no more than he gets when he leaves home here.

Mr. MANN. The bill does not provide for traveling expenses, but for mileage and per diem allowed by law to district judges when away from home. It is a considerable distance to the Panama Canal and amounts to a considerable sum. Why should a district judge go there on mileage when his expenses of going there would amount to nothing? If there is anybody on the Canal Zone who is qualified to try a case before a district judge it would be easy to find some one when it was necessary—and it would not be necessary once in 10 years—to hold court in the absence of the district judge.

Mr. ADAMSON. If it were possible to find a man on the zone to take the place of a higher judge, it would then be incongruous to pick up an outsider and appoint him a judge pro tempore for six weeks to hold court when we have judges here who are at leisure and could go to the zone and discharge the duties with ability?

Mr. MANN. That is what we have provided for recently in the district of Porto Rico. Mr. Chairman, I move to amend by striking out, on page 12, lines 13 and 14, the words "any circuit or district judge of the United States" and insert in lieu thereof "a judge pro tempore."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. RAINEY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6603. An act authorizing the Secretary of the Treasury to convey to the board of education of New Hanover County, N. C., portion of marine-hospital reservation not needed for marine-hospital purposes.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 6161) to authorize the Great Northern Railway Co. to construct a bridge across the Yellowstone River, in the county of Dawson, State of Montana.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 21590. An act to authorize levee and drainage district No. 25, of Dunklin County, Mo., to construct and maintain a levee across a branch or cut-off of St. Francis River and to construct and maintain a levee across the mouth of the Varney River, in the State of Missouri.

#### PANAMA CANAL.

The committee resumed its session.

The Clerk read as follows:

SEC. 9. That the records of the existing courts and all causes, proceedings, and criminal prosecutions pending therein as shown by the dockets thereof, except as herein otherwise provided, shall immediately upon the organization of the courts created by this act be transferred to such new courts having jurisdiction of like cases, be entered upon the dockets thereof, and proceed as if they had originally been brought therein, whereupon all the existing courts, except the Supreme Court of the Canal Zone, shall cease to exist. The President may continue the Supreme Court of the Canal Zone and retain the judges thereof in office for such time as to him may seem necessary to determine finally any causes and proceedings which may be pending therein. All laws of the Canal Zone imposing duties upon the clerks or ministerial officers of existing courts shall apply and impose such duties upon the clerks and ministerial officers of the new courts created by this act having jurisdiction of like cases, matters, and duties.

All existing laws in the Canal Zone governing practice and procedure in existing courts shall be applicable and adapted to the practice and procedure in the new courts.

The Circuit Court of Appeals of the Fifth Circuit of the United States shall have jurisdiction to review, revise, modify, reverse, or



affirm the final judgments and decrees of the District Court of the Canal Zone and to render such judgments as in the opinion of the said appellate court should have been rendered by the trial court in all actions and proceedings in which the Constitution, or any statute, treaty, title, right, or privilege of the United States, is involved and a right thereunder denied, and in cases in which the value in controversy exceeds \$1,000, or which involves the title or possession of real estate exceeding in value the sum of \$1,000, to be ascertained by the oath of either party, or by other competent evidence, and also in criminal causes wherein the offense charged is punishable as a felony. And such appellate jurisdiction may be exercised by said circuit court of appeals in the same manner, under the same regulations, and by the same procedure as nearly as practicable as is done in reviewing the final judgment and decrees of the district courts of the United States.

Mr. ADAMSON. Mr. Chairman, I have a committee amendment:

Amend by inserting in line 5, page 14, between the word "jurisdiction" and the word "may," the following:  
"Subject to the right of review by appeal to the Supreme Court of the United States as in other cases authorized by law."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 14, line 5, insert after the word "jurisdiction" the following:

"Subject to the right of review by appeal to the Supreme Court of the United States as in other cases authorized by law."

Mr. ADAMSON. We thought, Mr. Chairman, that we ought to provide that they might go to the Supreme Court by appeal.

Mr. BARTLETT. The gentleman means by appeal from the circuit court of appeals?

Mr. ADAMSON. Circuit court of appeals; in any way now authorized by law.

Mr. BARTLETT. Does not the gentleman think his amendment ought to come in after the words "United States"?

Mr. ADAMSON. It will now read, "and such appellate jurisdiction subject to the right of review by or appeal to the Supreme Court of the United States as in other cases authorized by law." I think it is in the right place.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Georgia.

The question was taken, and the committee amendment was agreed to.

Mr. BORLAND. Mr. Chairman, I submit an amendment to section 9, page 13, to strike out lines 13, 14, and 15.

The CHAIRMAN. The Clerk will report.

The Clerk read as follows:

Page 13, strike out the paragraph including lines 13, 14, and 15.

Mr. BORLAND. Mr. Chairman these words are as follows:

All existing laws in the Canal Zone governing practice and procedure in existing courts shall be applicable and adapted to the practice and procedure in the new courts.

The new courts will consist only of the district court, which will be the nisi prius court and the magistrate's court. The old courts consisted of district courts, practically a justice of the peace court, and the circuit court and supreme court. I am not at all sure—I expect the chairman of the committee is—just exactly how the rules could be applied to the new courts.

Mr. ADAMSON. They are not rules, but there are a great many existing statutes of procedure in particular cases. They are not repealed and the jurisdiction has been conferred on the new courts. We simply provide in these lines which the gentleman moves to strike out that these statutory provisions as to the procedure shall be adapted as applicable to the new courts. Where it can not be done they will have to be ignored.

Mr. BORLAND. I have no doubt the gentleman will be heard in opposition to it, but that is not the point I want to make. The gentleman has put into the bill and defended with ability a provision to have the President prescribe the rules of procedure in these courts. Here is a provision in the same bill that requires the existing law governing practice and procedure to continue in the new courts. Now, if these two can be construed together at all, it means that the executive act of the President can set aside an act of Congress; that is, this act making the rules and practice and procedure as now determined by existing law apply to the new courts. Either the new courts are going to have rules and practice prescribed by order of the President by executive order, or they are going to adopt, as far as they can do so, rules applicable to the old courts.

If the President has full power by this bill to prescribe by Executive order the rules of practice and procedure, there is absolutely no necessity for these words.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

Mr. ADAMSON. Mr. Chairman, I only want to say that we have not authorized the President to enact any statutory procedure at all. It is only the rules of court that the President is authorized to establish. These are existing statutes already on the zone affecting the material mode of procedure in certain cases.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. ADAMSON. Certainly.

Mr. BORLAND. I call the attention of the gentleman to page 10, line 20, where it says:

The rules of practice in such district court shall be prescribed or amended by order of the President.

And to the words on page 13, line 13—

All existing laws in the Canal Zone governing practice and procedure in existing court, etc.

Can there be any difference in the legal contemplation of those words?

Mr. ADAMSON. The rules of decorum are the rules of the court. They do not depend upon statute, and may be made by the judge.

Mr. BORLAND. Then the gentleman should have said rules of decorum; but it says rules of practice, and if the rules of practice are now fixed by existing law and are to be continued, then the Executive order of the President can not repeal or put in operation an act of Congress.

Mr. MANN. Here is a provision that authorizes the existing laws governing the rules of practice to be adapted to the procedure in the new courts. They are adapted to the procedure in the new courts.

Mr. BORLAND. I take it; yes.

Mr. MANN. But we have already provided in the law that the existing law shall not be changed except by Congress, and unless you have this provision in the bill they can not adapt the present laws governing the rules of practice to the new courts at all.

Mr. BORLAND. Then the gentleman thinks that the general power conferred on the President is limited to a mere change of name or date in the existing rules of practice?

Mr. MANN. I did not say that. I think he has the power to adapt the existing laws governing the rules of practice to the new courts.

Mr. BORLAND. Yes; and he would have that general power under the words on page 10, would he not?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Further than that he could not change the law where it is governed by law.

Mr. BORLAND. How far does his power go under the words on page 10?

Mr. MANN. To the extent of making rules of practice that are not affected by existing law, or to adapting the rules of practice governed by existing law to the new courts.

Mr. BORLAND. Why would it not be better for the courts themselves to do that?

Mr. MANN. The courts on the zone up to date have been created by order of the President. The laws providing for the Canal Zone have been created by order of the President. Everything on the zone by way of government has been done by order of the President.

Mr. SABATH. On the recommendation of the judges there largely.

Mr. MANN. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

Mr. McLAUGHLIN. Mr. Chairman, before we leave the sections relating to the jurisdiction of the courts and the practice in them, I would like to ask the chairman of the committee if the proceeding provided in section 5 is to be governed by these sections relating to the jurisdiction of and the practice in the courts. I refer to the part of the bill found at the bottom of page 6 and at the top of page 7, providing for the trial of claims for damages to vessels and the manner of settlement of those claims. The bill contains quite an unusual provision, it seems to me, for it says that in case of disagreement suit may be brought in the district court of the Canal Zone against the governor of the Panama Canal, and that the hearing and disposition of such cases shall be expedited and that judgment shall be immediately paid off without proceeding to execution. Is it intended that there shall be no appeal; that neither side to a controversy shall have the right of appeal?

Mr. MANN. That is not what it says.

Mr. ADAMSON. We have not yet reached that. We have agreed to go back to that proposition. I answer generally that the rules of court will apply to the procedure and to everything that fits, if the House adopts it. The only two differences entailed there will be the expedition and no appeal, but the House has not agreed to that.

Mr. MANN. There is no provision that there shall be no appeal.

Mr. ADAMSON. When we come to that I will say to the gentleman we will be very glad to discuss it with him.



The Clerk read as follows:

SEC. 10. That after the Panama Canal shall have been completed and opened for operation it shall not be lawful for any person to go, be, or remain upon or pass over any part of the Canal Zone without the permission of the governor of the Panama Canal, except United States soldiers, sailors, and marines and their officers, and the employees operating the Panama Canal. Any person violating this provision shall be guilty of a misdemeanor, and on conviction in the magistrate's court of the subdivision in which the violation occurred shall be punished by a fine not exceeding \$500 or by imprisonment not exceeding a year, or both, in the discretion of the court. It shall be unlawful for any person, by any means or in any way, to injure or obstruct, or attempt to injure or obstruct, any part of the Panama Canal or the locks thereof or the approaches thereto. Any person violating this provision shall be guilty of a felony, and on conviction in the district court of the Canal Zone shall be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding 10 years, or both, in the discretion of the court. If the act shall cause the death of any person within a year and a day thereafter, the person so convicted shall be guilty of murder and shall be punished accordingly.

Mr. BORLAND. Mr. Chairman, I desire to offer an amendment to section 10—to strike out all of said section down to the word "court," in line 21.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, strike out all of section 10, including lines 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, to and including the word "court."

Mr. BORLAND. Mr. Chairman, it is not my custom to take up much time in five minutes' debate in legislation, and it never has been, and I hope it never will be, my custom to become a general critic of legislation. I do not think I have ever indulged in general criticism of legislation.

Mr. MANN. We will be very glad to yield the palm to the gentleman.

Mr. BORLAND. But I can not pass over at this time this provision, which I regard as the most un-American provision in the bill. This provision is overshadowed in its general importance, I am sorry to say, by the only burning question that is in the bill, and that is the right to fix tolls, and whether American commerce shall be throttled in its effort to seek passage through that canal.

That great question, in the minds of Members of Congress, has overshadowed these minor questions, which are themselves of great importance, so far as the control of the canal is concerned. Now, this provision says, in plain English, that after the opening of the canal it shall be a crime to be upon the Canal Zone without permission from the governor. We can talk about the right of trial by jury, and all that sort of thing, but this provision says it is a crime even to be there. Trial by jury is supposed to be instituted to protect a man from the oppression of those in office; but what on earth is the good of protecting them from oppression of those in office when the mere fact one is on the zone, whether there is trial by jury or not, constitutes a crime? It is said, if this provision is adopted and if the chairman of the committee is correct, everybody who goes to the zone will have general leave to go there by some sort of proclamation, but when particular fellows go they are to be picked out as criminals and brought under this provision.

Mr. FOSTER. Does the gentleman from Missouri say with any authority that we are permitting this provision to be put into the law to be violated constantly there?

Mr. BORLAND. Of course the chairman of the committee will answer me, and I am not going to ask him to take up my time at this time, but he said that if anybody had any lawful right to go there, there was no reason why he should not go there.

Mr. FOSTER. He meant there would be no difficulty in securing permission.

Mr. BORLAND. He stated that if people landed from ships they would not have to have a personal permission, but some kind of a general proclamation would permit them to land. I do not know how that is going to be done.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. Mr. Chairman, I ask for five minutes more.

Mr. ADAMSON. Mr. Chairman, I object; I will be compelled to object in all cases in order to avoid the consumption of too much time. We are going to run this under the five-minute limit.

The CHAIRMAN. The gentleman from Georgia objects.

Mr. ADAMSON. Mr. Chairman, I want to reply to the gentleman's speech, under the five-minute rule. The United States is not trying to institute a palladium of liberty on the Canal Zone, but it is trying to run a canal. We have upon that Canal Zone a great workshop and all the appurtenances thereto. If a factory was going to spend millions of dollars it would acquire the necessary land, purchase everything that is needed, and then it would put up a notice saying that persons without any business should keep out of there. We do not want our expenditure of \$400,000,000 in workshops, locks, and so forth, broken up.

Internationally we have protected that by treaty, and no nation would blow it up or fire on that. Now, we are charged with the duty of protecting them against individuals. It is proper to say that outside of the American employees, soldiers, and sailors and their officers nobody else must be there without permission. If people are there who are lawfully there the policeman will find it out in some way, and there will not be much trouble about their identification. If a man is uneasy about his identification he can easily have a card sticking in his pocket to show what he is doing there.

Mr. GARNER. If the gentleman will permit, that applies very well to the people who are on the zone, but let us take a concrete case of a man who buys a ticket from New York to Panama and gets off the boat without permission of the Government. He subjects himself to this fine.

Mr. ADAMSON. There is not a particle of trouble about that. Provision can be easily made to identify every passenger, and there will be no trouble about that at all. In the first place, it is simply a question of identification between the person and the officer who challenges him. In the second place, if he can not satisfy the officer he will have to satisfy the magistrate's court. That is all. There will not be a case in 10,000 of a man being compelled to go before a magistrate unless he is rightfully carried there, and we think our safety demands that we should exclude every person from that zone except whom we want there.

Mr. FOSTER. The intention of the committee is that the Government shall have control of it on the zone, and that is all that is intended by it.

Mr. ADAMSON. The governor of the zone there will fix it so as to permit those who ought to be there to go there and to keep out those who ought not to be there.

Mr. MANN. Mr. Chairman, I favor the motion of the gentleman from Missouri to strike out this provision of the bill.

Mr. GARNER. Will the gentleman yield?

Mr. MANN. I only have five minutes, and the gentleman from Georgia has given notice that we can not have any more time under the five-minute rule. The provision of the bill is—

Mr. GARNER. Mr. Chairman, I make the point of order that debate on this amendment is exhausted unless the gentleman wants to move to strike out the last word. There has been five minutes' debate on this pro and con, and I make the point of order that debate is exhausted. The gentleman ought to comply with the rule if he does not—

Mr. MANN. The gentleman can enforce the rule if he desires to do so. That is the rule—

SEVERAL MEMBERS. Move to strike out the last word.

Mr. MANN. No; I will not; the gentleman was discourteous, and I will not ask any further time.

Mr. GARNER. The gentleman was more discourteous to me than I was to him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the Chairman announced the yeas seemed to have it.

On a division (demanded by Mr. BORLAND) there were—ayes 57, noes 65.

So the amendment was rejected.

Mr. GARNER. Mr. Chairman, I want to offer an amendment. In section 10, line 14, after the word "except," insert "citizens of the United States."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 14, insert after the word "except" the words "citizens of the United States."

Mr. GARNER. Mr. Chairman, I offer this amendment, and I will call the attention of the committee to the bill as it would read if this amendment were adopted.

Without the permission of the governor of the Panama Canal except citizens of the United States, United States soldiers, sailors, etc.

Mr. Chairman, this, so far as I know, is the first proposition in the history of this country where we are not going to permit citizens of the United States to travel freely throughout the domain of the United States. The Panama Canal belongs to the United States, and whenever a citizen of the United States is prohibited from going upon that Canal Zone you have prohibited a citizen from traveling as he may please throughout the United States. For instance, if I took a boat at Galveston, with a ticket to Colon or to any other portion of the Canal Zone, upon landing I subject myself immediately to this fine.

Now, the reply of the gentleman from Georgia, the chairman of the committee, is that the rules and regulations and proclamations down there will not apply to a citizen like myself or any Member of this body, but I submit it is a dangerous precedent to place in the hands of any one man an opportunity to



prosecute and to imprison a citizen for going upon the Canal Zone without any intention to do any harm, without intention other than to prospect and conduct a business for which he went, simply because he did not happen to have permission of the governor of the Canal Zone. The reply, I know, of the gentleman from Georgia [Mr. ADAMSON] and others is that this is virtually a military reservation down there and is conducted upon a military basis. Well, Mr. Chairman, we have adopted court rules different from those of military courts. We have adopted a civil government down there, and it does seem to me that whenever we provide that no foreigner shall place foot upon that Canal Zone we have given all the protection to the Canal Zone that is necessary, because if you are an American citizen the police authorities there ought to be sufficient to protect the zone against an American citizen, and it does not seem to me it is Americanism for Congress to pass a provision in this bill prohibiting absolutely any citizen of the United States from making a trip to the Canal Zone of his own sweet will.

Mr. MARTIN of Colorado. Will the gentleman permit an interruption there?

Mr. GARNER. Certainly.

Mr. MARTIN of Colorado. I wish to say that when the chairman of the committee was discussing this matter the other day I indicated that while I was willing to be bound by the action of the committee in this matter, a committee of which I am a member, I was not clear or satisfied in my own mind with reference to the provision. But I think a moment's reflection will satisfy the gentleman from Texas that we could not possibly permit of any such discrimination against the citizens of all other countries, as suggested by the gentleman from Texas [Mr. GARNER]. His amendment proposes to permit the citizens of the United States to have the liberty of the zone and to prohibit citizens of other countries. I wish to say that would be a violation of treaty rights.

Mr. GARNER. No more than we could say that no citizen of another country can land upon American soil.

Mr. MARTIN of Colorado. What would Panama say?

Mr. GARNER. I am not asking what Panama would say, but I say we would have the right to guard the immigration to that zone, but we ought not to have the right to prohibit all American citizens from going there of their own sweet will.

Mr. ADAMSON. Mr. Chairman, I have time and again denied the impeachment and disclaimed the intimation that we were running the Canal Zone as a military reservation, but the Government is running it as a Government affair for military purposes in time of war and commerce in time of peace. We have a great workshop there costing millions of dollars—it may be approximating a billion dollars. The machinery of those locks is such that the least accident would render them useless. We have those there who are responsible for their safe construction and who will be responsible for the safe operation of them. If we provide for Americans only, we flatly violate the treaty, to start with, which demands equality as to conditions of commerce, charges of traffic, and otherwise—certainly otherwise, if not one of the first two propositions.

In the second place, the proposition of the gentleman from Texas [Mr. GARNER] would require a man to carry along his certificate of birth and all of his naturalization papers, and put him to a great deal more trouble than pulling a card out of his pocket in order to show that he has the permission of the Government. Furthermore, our naturalization laws are so liberal, so broad, in our invitation to all the world not only to come here and seek refuge in the palladium of liberty and bring the offscouring of the earth upon us, that we might say that some American citizens sometime might get to be bad men. The safest rule to follow is the rule which the ship has to follow. But when a ship comes there we are going to take charge of it. We are not going to allow its own officers to run it through the canal. We are going to have our own lock managers to carry it through. We do not want to abridge the privileges of any American citizen to go down there and enjoy himself, but it is easy for the officers of that zone to identify and give permission to all those who may be there.

Mr. DYER. Mr. Chairman, the great commercial center of the Mississippi Valley, the city of St. Louis, which in part I have the honor to represent in this House, has a general and a special interest in the opening and operation of the Panama Canal; a general interest with all Americans in this great avenue of commerce and the benefit it will bring to us all; a special interest, because we believe that as the Panama Canal is completed and thrown open to the commerce of the world the thoughts of our Nation, its people, and Congress will be turned to the doing of another big job for commerce and prosperity, to wit, Lakes-to-the-Gulf deep waterway. The opening of the

Panama Canal makes this project the more needed and necessary. The Mississippi Valley should and must be placed on a parity with the seaboard by corresponding development of the Mississippi River and its tributaries as parts of a comprehensive system of commercial navigation. The above statement is a part of the platform of the Lakes-to-the-Gulf Deep Waterways Association, as adopted in their convention at Chicago October 12, 13, and 14, 1911, and on this platform we shall continue to wage battle till victory is ours. And this association at its convention in Chicago declared its position upon the question at issue in this bill, to wit, Shall tolls be imposed upon American vessels doing coastwise business of this country? Upon that proposition it said:

The policy of free waterways is fundamental with the American people, and hence this association declares that this principle should be extended to our coastwise trade through the Panama Canal.

Mr. Chairman, with that declaration I am in hearty sympathy and shall vote for the Doremus substitute for section 5. American money and American enterprise built this canal, and we must not lose sight of the fact that the American people own it and have the perfect right to reserve to themselves some special benefits for this great outlay. The following editorial from the Washington Post is a brief statement of the situation:

#### A FREE CANAL FOR OUR SHIPS.

American ships carrying American goods are free to visit any port over which the American flag flies without any tax or toll whatever. Whether in coast harbors, in the rivers, or on the Great Lakes, it is the policy of the American people to keep their domestic commerce free of tax and in the hands of American citizens.

But it is now proposed by some Members of the House of Representatives to change this policy, so far as the Panama Canal is concerned. It is proposed that American ships shall not pass through that American canal on the way from one American coast to the other without paying a tax.

There are two "reasons" given for this curious proposal—first, that the United States is bound to tax its own ships under the Hay-Pauncefote treaty, and, second, that American shipping through the canal benefits only the two coasts, and if passed free would throw that much of the burden of maintaining the canal upon the people of the interior. It is held, in other words, that if American ships are passed free they will be receiving a subsidy.

The first "reason" has been shown to be utterly baseless. There is nothing in the Hay-Pauncefote treaty which even by implication requires the United States to tax its own domestic shipping. This commerce is confined solely to American ships. Foreign ships are prohibited by law from entering our coastwise trade. How, then, are foreign ships discriminated against if American ships are exempted from tolls? No foreign country taxes its domestic shipping for the use of its own harbors or canals. On the contrary, all foreign maritime nations repay to their own ships the tolls through the Suez Canal.

The second "reason" is as worthless as the first. If free passage through the Panama Canal is a subsidy, then the free use of the Great Lake ports, the Atlantic, Pacific, and Gulf ports, and river ports is also a subsidy. If the people of the interior should not pay for the free Panama Canal, then the people of New York and California should not pay for the improvement of the Mississippi River.

Why was the Panama Canal constructed? Was it not for the purpose of developing the common commerce as well as providing for the common defense? The freight going through the canal will originate in every part of the country and it will flow to every part. The free canal will operate as a regulator of railroad rates throughout the United States. "When we provide, in effect, the rate of freight between the two oceans," said Mr. MANN, in the House debate, "we will have determined for all time a regulator of railroad rates in the United States, the beneficial effect of which will go into every hamlet, every village, every city, every home in the land."

It is impossible to believe that Congress will provide for the freedom of American shipping in every place under the American flag except through the Panama Canal, the greatest trade artery in the world.

Mr. Chairman, I want to be heard a moment upon the other phase of this question, the one made so necessary by the near completion of the canal. That is for the Congress to authorize and provide the means for making the Mississippi River navigable for ocean steamers, and in connection therewith to raise the levees of the river to prevent floods and overflows such as we have been witnessing of late. If this is done, it will enable our people of the Mississippi to send their goods, wares, and merchandise by water from St. Louis and other points down the "Father of Waters," on through the Panama Canal, and to the marts of the world. That is what we want and what we will have.

Mr. Chairman, I have a bill, H. R. 24191, pending in this House to provide the money—\$30,000,000—for raising the levees, and thereby protecting millions of acres of farm land and greatly increasing our productions. The raising of the levees is practicable, and the Government of the United States ought to do it. I submit the following letter from Gen. Bixby and an editorial from the Washington Herald as evidence thereof:

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF ENGINEERS,  
Washington, May 16, 1912.

Hon. L. C. DYER,  
United States House of Representatives.

SIR: 1. Referring to your letter, dated April 17, 1912, inclosing one dated April 15, 1912, from Robert E. Lee, secretary St. Louis Sales Managers' Association of St. Louis, Mo., relative to raising the Mississippi River levees and urging the introduction of a bill in Congress



for the purpose, I have the honor to inclose herewith a copy of a report on the subject dated May 3, 1912, by Col. C. McD. Townsend, Corps of Engineers, president of the Mississippi River Commission.

2. Paragraph 4 of Col. Townsend's report shows that the Mississippi River Commission can at any time raise the standard grade to any height thought by them necessary; but to raise the levees themselves up to that grade is quite another question, since it depends mainly on how fast the Federal Government and the various States and local organizations provide money therefor and upon the limitations placed by these governments or organizations upon the use of such money.

3. For many years past the instructions of Congress to the Mississippi River Commission restricts their levee construction to merely what is necessary to improve navigation and promote the interests of commerce and does not provide for independent protection of land from overflow.

4. As the increase in value of land due to an efficient levee protection is amply sufficient in the end to pay for cost of same, it would seem proper for legislation to take the shape of a loan of moneys from the Federal Government to each State directly interested, to be repaid gradually. (See pp. 8, 9, 12, 14, and 24 of H. Doc. No. 549, 62d Cong., 2d sess., herewith; see also last 2 lines, par. 4, p. 27, of Natl. Waterways Com. Rept., S. Doc. 469, 62d Cong., 2d sess.)

5. The inclosures received with your letter are returned herewith as requested.

Very respectfully,  
W. H. BIXBY,  
Chief of Engineers, United States Army.

[Second Indorsement.]

MISSISSIPPI RIVER COMMISSION,  
OFFICE OF THE PRESIDENT,  
St. Louis, Mo., May 3, 1912.

1. Respectfully returned to the Chief of Engineers, United States Army.

2. As to the height of levees along the lower Mississippi, it can be said that the Mississippi River Commission has never adopted what it considered a final grade, the grades established from time to time being only tentative and being restricted by the amount of funds appropriated and the needs of such funds on other improvement work.

3. There is probably no question but what the levees in most instances need enlargement and raising, and much valuable data as to final grade will be obtained from the present flood; it can not be stated at this time what the grade will eventually be or just how many feet the levees ought to be raised.

4. It is not thought that the enactment of any new legislation is required to empower the commission to raise the levees to any grade deemed desirable. What is needed is appropriations of sufficient amount and with sufficient regularity to permit the work to be done.

C. McD. TOWNSEND,  
Colonel, Corps of Engineers, United States Army,  
President Mississippi River Commission.

#### NATIONAL CONTROL OF LEVEES.

The South is still advocating the maintenance of the Mississippi levees by the Federal Government. She points out the nationality of the interests involved; she declares the great Father of Waters belongs to the Nation. For more than a century the valley States have been fighting their own battles—for the most part inadequately—against the great spring floods, and she believes the time is now at hand for the National Government to aid in her unceasing struggle.

Richard H. Edmonds, editor of the *Manufacturers' Record*, of Baltimore, points out the fact that national levee control is not a new idea. He writes:

"At a convention held in Memphis in 1845, with 600 delegates, representing Pennsylvania, Iowa, Indiana, Illinois, and Ohio, as well as the States of the South, and presided over by John C. Calhoun, the position was taken that the Mississippi River and its control was a national and not a State problem. Calhoun, with that broad vision which characterized his statesmanship, took the ground that what individual enterprise could effect alone should be left to individual enterprise; that what a State and individuals could achieve together was to be left to their joint action; but what neither of these, separately or conjointly, could accomplish was the province of the Federal Government, and this, in his opinion, was the situation as to the Mississippi River."

Although the Mississippi River drains fully 27 States, only 2 comparatively small States have to bear the brunt of the accumulated floods of the great river. This burden should not be borne by Louisiana and Mississippi alone. All the valley States should aid, and, in a larger sense, the Nation itself should lend the strong arm of its resources to the work. The comprehensive projects of waterway improvement are national, and, by the same logic, the slow and arduous task of levee improvement should be national.

Mr. Chairman, the people of my district are thoroughly in earnest that Congress should take hold of the deepening of the Mississippi River and the raising of its levees. I have received many letters commending the bill introduced by me. The following letter from the president of the Rice-Stix Dry Goods Co., of my city, is a sample of these many letters that I have received in regard thereto, as follows:

RICE-STIX DRY GOODS CO.,  
St. Louis, Mo., May 10, 1912.

Hon. L. C. DYER,  
House of Representatives, Washington, D. C.

MY DEAR MR. DYER: I see it reported in the press that you have introduced a bill in Congress providing for Government construction and control of the levees in the lower Mississippi Valley.

I am very glad to see that you have taken the initiative in this most worthy and important work. The whole country is interested directly and indirectly in this land.

I am sending you under separate cover marked copy of the New York Journal of Commerce regarding my interview with a number of New England manufacturers, as follows:

"Elias Michael, of the Rice-Stix Dry Goods Co., yesterday expressed the following opinion on the Mississippi floods and the cotton situation: 'There was a meeting the early part of the week in Washington, which I attended, regarding steps to be taken to repair the levee re-

cently washed away in the lower Mississippi Valley in time to prevent another overflow when the usual June rise of the Mississippi occurs, occasioned by the melting snows in the mountain districts.

"The country now inundated is the main source of supply of long-staple cotton. The rich bottom lands of Arkansas, Mississippi, and Louisiana, in the so-called Delta, produce a very large portion of the entire crop of long-staple cotton, and it seems to me that the manufacturers of cotton goods, particularly those of New England, where most of this staple cotton is used, are very much interested in seeing that something is promptly done to enable the farmers in this region to plant and raise a cotton crop.

"The cotton manufacturers have had experience of what scarcity of cotton means. It is a situation that demands serious consideration, for if steps are not taken promptly and protection provided so that these valuable cotton lands can be redeemed in time to make a crop, the scarcity of long-staple cotton will be felt by the entire country, and in no direction can the Government do better work for the general good than the conservation of these rich and fertile lands.

"Heavy rains and overflows have so soaked the earth that it can not absorb any more moisture, and when the snow water from the mountains reaches the lower Mississippi Valley (it generally occurs in June), and the levees are not repaired by that time, there will be no cotton raised in this section of the most valuable cotton lands of the country."

I urged them to have their Senators and Representatives support the measure then pending for making an appropriation immediately available for the purpose of repairing the levees. These New England manufacturers took it up with their Senators, and I understand the movement received hearty indorsement and support.

I mention this because it is good to know one's possible allies and friends in a measure such as you have undertaken, and I believe you can count upon the hearty cooperation of the New England Senators and Representatives, as well as the support of manufacturers in New York, Pennsylvania, and other sections where they use long-staple cotton.

Outside of the direct interest, the movement for the Government to undertake the repair of these levees has great merit. The United States Government controls the river, and individual effort has been unable to cope with the situation.

The conservation of this rich land is strictly a Government duty, as its crop is the means of extended relations between this country and the balance of the world.

The Mississippi River is the drain for 30 States. This immense valley or watershed is drained through the Mississippi, and all the States are interested to see that these overflows do not cause death, destruction, and disaster to this section of the country.

Yours, very truly,

ELIAS MICHAEL.

Mr. HARDY, Mr. Chairman, I wish to rise and say that it seems to me that this provision as it stands is a rather strange provision, that makes a man unconsciously, possibly, guilty of committing an offense by merely being somewhere in a zone 10 miles wide and 40 or 50 miles long.

Now, I believe that the amendment offered by my colleague from Texas [Mr. GARNER] would be subject to the objection of making a manifest distinction between our own citizens and other people, who might be equally innocent with them, and while relieving our own citizens of unconscious criminality leave an innocent foreigner in the toils; but I believe that this committee might be willing to accept the amendment that I have to offer in lieu of the amendment offered by my colleague from Texas [Mr. GARNER]. I move as a substitute to the amendment of the gentleman from Texas the following: In line 13, strike out the words "without the permission of" and insert in lieu thereof the words "contrary to the rules prescribed by," referring to the governor of the Panama Canal.

I understand that a Government workshop may have, properly, notices posted to keep out of this place and that place, and this would enable the Government to reach the purpose of the framers of this bill—that is, to protect its property—but would enable the Government and require the Government to prescribe definite rules of which the people would be able to take notice. There would be some means of a man having some consciousness of his violation of the law, or being notified where he might and might not go; but under the bill as it stands any stranger or citizen of the United States, going to the Panama Canal and stepping off some boat at some stopping station, would technically and legally and substantially be guilty of a crime.

Now, I believe that is wrong. I believe that the rules prescribed and promulgated by the governor might be, ought to be, and would be made plain. I think that is the solution of the whole matter. The rules should be made plain, so as to protect the property of the Government there and not at the same time violate all the principles of equity and of good government.

I ask the gentleman from Texas [Mr. GARNER] to accept this suggestion. I offer as a substitute for the amendment of the gentleman from Texas the amendment which I submit. In line 13, after the word "zone," strike out the words "without the permission of the governor," and insert in lieu thereof the words "contrary to the rules prescribed by the governor."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas [Mr. HARDY].

The Clerk read as follows:

Amend, line 13, by striking out, after the word "Zone," the words "without the permission of," and inserting in lieu thereof the words "contrary to the rules prescribed by."



Mr. HARDY. Mr. Chairman, may I add this, that the section will then read:

That after the Panama Canal shall have been completed and opened for operation, it shall not be lawful for any person to go, be, or remain upon or pass over any part of the Canal Zone contrary to the rules prescribed by the governor of the Panama Canal—

And so forth.

Mr. ADAMSON. Mr. Chairman, I think that would make it read mighty funny, to say that it would be unlawful for a man to do contrary to the rules. [Laughter.]

The CHAIRMAN. Does the gentleman from Georgia make a point of order? The Chair did not understand him.

Mr. ADAMSON. No, sir; I did not make any point of order. I said it would be a strange proposition to make it read that way, and it would not make any difference anyhow. As to the gentleman's complaint, that some ignorant man would get there unawares, I do not think that many people would go to Panama without knowing just where they were. [Laughter.]

Mr. HARDY. And I suggest to strike out the words "except United States soldiers, sailors, and marines and their officers, and the employees operating the Panama Canal," in lines 14, 15, and 16, down to the word "Any."

Mr. ADAMSON. Mr. Chairman, if the gentleman from Texas is going to add something to this bill, I do not want him to butcher up what we have of it.

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Texas [Mr. HARDY].

The Clerk read as follows:

Amend, line 13, by striking out, after the word "Zone," the words "without the permission of," and inserting in lieu thereof the words "contrary to the rules prescribed by."

Mr. HARDY. And strike out, in lines 14, 15, and 16, the words "except United States soldiers, sailors, and marines and their officers, and the employees operating the Panama Canal."

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. What is this that the Clerk has just read?

The CHAIRMAN. An amendment.

Mr. MANN. The gentleman did not offer such an amendment. The gentleman has an amendment pending, which he can not change.

Mr. HARDY. Mr. Chairman, the gentleman from Texas [Mr. GARNER] offered an amendment. I offer as a substitute for that amendment the one which has just been stated.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is correct. As the Chair understands the parliamentary situation, the gentleman from Texas [Mr. GARNER] offered an amendment. The gentleman from Texas [Mr. HARDY] then offered a substitute for that amendment, and later he asked to add further words; he asked to add to the amendment by striking out certain words. Now, the substitute is the original amendment which was offered by the gentleman from Texas [Mr. HARDY] and which has been read from the Clerk's desk.

Mr. HARDY. Mr. Chairman, I will withdraw the substitute now, and will offer it as soon as the original amendment is voted on.

Mr. MANN. The gentleman can not withdraw it without unanimous consent.

Mr. HARDY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] asks unanimous consent to withdraw his amendment.

Mr. MANN. Mr. Chairman, for the present I will object, as the gentleman from Georgia [Mr. ADAMSON] has given notice that he will not give time.

Mr. SHERLEY. No; I understand he has not.

Mr. MANN. The only way to get the floor is by offering amendments, and the gentleman from Georgia has given notice that he will not give time.

Mr. SHERLEY. Mr. Chairman—

Mr. ADAMSON. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. SHERLEY. I will, if it does not take away my rights.

Mr. ADAMSON. I want the gentleman to have the chance to offer his amendment and to argue it, but I want to move to close debate in 10 minutes; no, say 15 minutes.

Mr. SHERLEY. Mr. Chairman, I offer the following, either in the form of a substitute or as an amendment, according as the Chair now holds that the proposal of the gentleman from Texas is before the House; and if it is before the House, as a substitute or as an amendment. What I offer is this: On page 14, line 11, after the word "operation," strike out the words beginning with the word "it," down to and including the word "Canal," on line 16, and substitute the following.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kentucky [Mr. SHERLEY].

The Clerk read as follows:

Page 14, strike out, in lines 11 and 12, the following: "It shall not be lawful for any person to go, be, or remain upon or pass over any part of the Canal Zone without the permission of the governor of the Panama Canal."

Mr. SHERLEY. Mr. Chairman, the Clerk has reported the amendment incorrectly. I said, "On line 11, beginning with the word 'it,' and down to and including the word 'Canal,' on line 16—to strike out and insert.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Strike out, in line 11, page 14, after the word "operation," the remainder of line 11 and all of lines 12, 13, 14, 15, and 16, down to and including the word "Canal," on line 16.

Mr. ADAMSON. Mr. Chairman, I make the point of order that that identical motion has been made and voted down.

Mr. SHERLEY. If the gentleman will permit it to be reported, he will find that he is mistaken.

The CHAIRMAN. The Clerk will report the remainder of the amendment offered by the gentleman from Kentucky [Mr. SHERLEY].

The Clerk read as follows:

And insert the following: "The governor of the Canal Zone shall have the right to make such rules and regulations, subject to the approval of the President, touching the right of any person to remain upon or pass over any part of the Canal Zone, as may be necessary."

Mr. ADAMSON. Mr. Chairman, I am perfectly willing to accept that.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. I want to know if I can not withdraw my amendment and get a vote on the amendment proposed by the gentleman from Kentucky [Mr. SHERLEY]?

Mr. ADAMSON. I am perfectly willing to adopt that amendment.

Mr. SHERLEY. If that is adopted, the language in line 15, "any person violating this provision," should be changed to read "any person violating any of such regulations." Then it would be in accord.

Now, the sole purpose of this is to meet the view, well expressed by the gentleman from Texas, to give perfect control over the canal and yet not to make the innocent doing of a thing a crime on its face; that is what I have undertaken to do.

Mr. ADAMSON. Mr. Chairman, will the Clerk read the provision as it will be if the amendment is adopted?

The CHAIRMAN. The gentleman from Texas [Mr. GARNER] asks unanimous consent to withdraw his amendment, and the gentleman from Texas [Mr. HARDY] asks unanimous consent to withdraw his substitute. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment offered by the gentleman from Kentucky.

The Clerk read as follows:

Strike out all of line 11 after the word "operation" and lines 12, 13, 14, 15, and line 16 up to and including the word "canal" and insert the following:

"The governor of the Canal Zone shall have the right to make such rules and regulations, subject to the approval of the President, touching the right of any person to remain upon or pass over any part of the Canal Zone as may be necessary."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. SHERLEY. Mr. Chairman, I move to strike out the words "this provision," in line 16, page 14, and substitute the words "any of such regulations."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 16, strike out the words "this provision" and insert in lieu thereof the words "any of such regulations."

Mr. ADAMSON. I think the suggestion of the gentleman from Kentucky fully carries out the purpose of the committee.

Mr. McCALL. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. McCALL. I want to ask the gentleman this question: Is not the gentleman getting back into the same difficulty again by providing that any person that violates one of these regulations is guilty of a crime?

Mr. SHERLEY. No. Here is the difference: The bill made the mere fact of a person being on the zone without permission a crime. That has been changed and you simply make the violation of any regulation a misdemeanor, and I assume that the President will not approve, even if any governor should recommend, any regulation as drastic as the one we had in here in the form of a law, and in that respect it is different. Presumably the regulation will provide for punishment only in the event of a violation under certain conditions. We must proceed on the assumption that our officials are going to exercise ordinary common sense and fair dealing. We have a situation, as was well said by the distinguished chairman of



the committee, that is unique. We are not creating a territory for the purpose of having it populated; we have possession of a particular piece of territory which we are to use for the purpose of transporting ships from ocean to ocean, and anything else is incident to that main purpose, and every rule and regulation ought to be written with regard to the preservation of that main purpose and not with any particular theory in regard to government as we know it here, because you have not the same conditions, and in the absence of equal conditions rules fail to apply. The governor will make reasonable regulations and the President will approve no other, and I know that the force of public opinion in America is sufficient to make any governor or any President abrogate any rule that is not in accord with common sense and common justice. [Applause.]

Mr. DAVIS of Minnesota. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. DAVIS of Minnesota. I agree with the gentleman that there should be regulations, and I think the governor is the one to make the regulations. The gentleman has said, "The governor shall have the 'right' to make regulations." Why not say that he shall make them and not have the right to make them?

Mr. SHERLEY. I assume that the governor is going to have common sense and if he does not make them there will be nothing to prevent a person going there. I assume that the President and the governor are intelligent and would make regulations that ought to be made; that the men going to the Isthmus and the agents of the Government that are going there are not to be fools. I must assume a certain amount of common sense in the public men of America. If I did not, I would not authorize them to make any regulations.

Mr. MONDELL. Mr. Chairman, if we adopt the amendment proposed by the gentleman from Kentucky, we shall have marked the difference between tweedle dee and tweedle dum. The gentleman from Kentucky is hopeful and expectant that tweedle dum will be more satisfactory than tweedle dee. This bill prescribes what may and may not be done by those visiting the Canal Zone. The amendment provides that the governor may prescribe regulations, which regulations may be exactly in line with the provision he proposes to strike out and thereby give us a government not by law, but a government by regulation.

Mr. SHERLEY. Will the gentleman yield?

Mr. MONDELL. I have only five minutes.

Mr. SHERLEY. So had I, but I yielded.

Mr. MONDELL. The gentleman is hopeful that the governor will exercise good judgment, and he assumes that he would not if he exercised the judgment which the committee has exercised in presenting the bill to us. The fact is, the language of the bill as it stands is just what it should be. It is a provision which will protect the Canal Zone; if it becomes law, all men may read and understand it, which is infinitely better than the same kind of provision by regulation made by the governor and approved by the President. If we are going to protect the Canal Zone, we will find that our only difficulty will be in protecting it against evil-minded persons, individual marauders, and that we will never have any difficulty with foreign foes on the canal, particularly if we do not fortify. The provision in the bill is one under which we can protect the Canal Zone, under which all visitors to the zone shall know what the law is. But the amendment offered by the gentleman from Kentucky changes all that and proposes to give the governor the opportunity to prescribe a regulation of exactly the same kind. Of course, he is hopeful that the regulations will be different.

Mr. SHERLEY. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SHERLEY. The difference is this: The way it was written in the law the mere trespass constituted a misdemeanor without regard to the reason. Here we simply provide for regulations and punishment for violation of those, and it does not follow that the regulation will be one that will make the innocent doing of a thing a misdemeanor. I know that the gentleman being from the West is opposed to regulations.

Mr. MONDELL. Mr. Chairman, the regulation to be effective must be prohibitory, except in accordance with certain requirements. That is all this section provides. If anyone shall have the permission of the governor to go on the Canal Zone, what other requirements could the regulation contain, except a requirement of that sort. I believe that government by law is infinitely better than government by regulation.

Mr. McCALL. Mr. Chairman, I was struck with the force of what the gentleman from Texas said—that we should not have a provision here which would make the mere going by an American citizen upon the Canal Zone a crime—but if it would be unreasonable to have the going of an American citizen there a crime, it would be uncivilized and illiberal and barbarous to an

extreme to have the going there of a citizen or subject of any foreign nation a crime, because American citizens are presumed to know something of our own laws, although none of us can keep pace with the statutory requirements of the different States or of this national body. But the citizens of foreign nations are not supposed to have any knowledge of this kind, so that it would be illiberal in the extreme to provide that anybody going there from any part of the world to the Canal Zone and going upon that Canal Zone by that act committed a crime and was liable to a fine and punishment. The gentleman from Kentucky [Mr. SHERLEY] has improved this somewhat, but I think it should be more carefully considered and that it may be improved still more. He sets up a little satrap down there and we unload the jurisdiction of Congress upon this petty officer, who is acting outside of the Constitution, with unlimited power to make regulations, and then provide that the violation of any of those regulations amounts to a crime and makes a person subject to fine and imprisonment.

Mr. SHERLEY. Do we not now do that in regard to forts and arsenals, and are not the statute books full of provisions giving to the Army the right to make regulations relative to entrance upon forts and arsenals?

Mr. McCALL. I do not know whether we do or not.

Mr. SHERLEY. That is a fact; I know.

Mr. McCALL. The Panama Canal is going to be different from a fort. It will be a sort of Mecca, to which the people of the world will come. We hold that as trustee for commerce, and to try and set up a military rule the same as with regard to forts, so that nobody would go there without such peril, it seems to me, is not reasonable. I admit the gentleman has improved the law somewhat, but I do not believe he has a satisfactory solution of the difficulty.

Mr. MANN. Mr. Chairman, I think the provision which the committee has decided to retain in the bill is the most remarkable provision I have ever seen in any bill offered in this House—a provision that we shall invite the world to go through the Panama Canal, and if anybody accepts our invitation we shall put them in jail for a year. The gentleman from Texas offered a proposition which would except our own citizens, but would still invite the citizens of other nations to come upon the Canal Zone, with a threat that if they accepted our hospitality we would put them in jail for a year. The gentleman from Kentucky [Mr. SHERLEY] proposes that we shall escape the responsibility of doing that and put it upon the President. Upon what theory are we operating a canal, except to invite the people to pass through the canal? Upon what theory do we open up the canal between the two oceans unless we want people to go through the canal, and to go through it under a threat provided by this bill that if they do so they are violating the law and making themselves subject to punishment for misdemeanor, to fine and imprisonment?

Mr. SHERLEY. Mr. Chairman, will the gentleman yield?

Mr. MANN. For a question.

Mr. SHERLEY. Does not the gentleman see a difference between going through the canal and going on the Canal Zone, and does the gentleman think there should be no regulation controlling the canal?

Mr. MANN. That question is not one of the gentleman's best questions.

Mr. SHERLEY. It seems to be one sufficiently difficult of answer to compel a rather unusual answer.

Mr. MANN. The gentleman is still endeavoring to consume my time.

Mr. SHERLEY. That is to the advantage of the committee at present.

Mr. MANN. Perhaps that is the gentleman's opinion. He has that in his head probably. The proposition in the bill could be put into force under the general provisions by the governor. If it is in the bill, everybody knows it, but the gentleman from Kentucky would have the same provisions put into effect by a regulation of a governor, not by the law, not by the Congress—and at that I believe the gentleman's provision is better than the one in the bill.

To properly guard the canal is correct, but to say that a traveler shall not leave a boat which goes through the canal and cross the Isthmus by rail is extremely absurd and ridiculous. No other language properly denounces it. We have ample power to protect ourselves upon the canal without providing that every person who lands from the sea on either side on the shore is a criminal, without providing that everyone who leaves the boat is a criminal, without providing that everyone who steps across the line from the city of Panama to the city of Colon, outside of the city limits, can be arrested, and without jury trial sent to jail and be fined. We would not stand for a thing of that kind in the United States for a moment, and we ought not to inflict it upon the Canal Zone—not there



so much because it affects matters there, but for our own honor and reputation.

Mr. CANNON. Mr. Chairman, it is always a source of regret to me to have to disagree with my colleague from Illinois [Mr. MANN], who has just spoken, and with the gentleman from Massachusetts [Mr. McCALL], who also has just spoken; but it does seem to me that gentlemen are creating ghosts, supposing improbabilities. This is a very plain matter. We have the canal and we have a population of 90,000,000 people in the United States. I do not know whether we yet include Porto Rico—I do not know whether the law in respect to Porto Rico has passed yet.

Mr. MANN. It has not.

Mr. CANNON. It probably will pass. We will have more than 100,000,000 people in the United States, and we have a canal that costs \$400,000,000.

Now, it is useless to say that every American citizen, naturalized or unnaturalized, is a patriot. There are exceptions. Why, three American citizens have assassinated three Presidents. The McNamaras, American citizens, destroyed bridges by the wholesale and are now in the penitentiary. It is all very nice to talk about trusting everybody, but when you get 10 miles of a reservation on the Canal Zone for a specific purpose there should be power to make reasonable regulations so that you shut out the McNamaras and shut out the Guiteaus and the Czolgoszes, and people of that stamp. Oh, but my friend says, you will invite all the world and then put them in the penitentiary. Nay, nay, they have got to go there aboard ship, and regulations would provide how they could go with safety. Perchance once in awhile some anarchist, some fellow with dynamite, might smuggle through, and precaution should be taken to protect our canal and its locks. The same protection is taken touching our military reservations in the United States. True we come and go substantially by unanimous consent, but there is the power, there is the power there now to make the regulations for protection and care of our military posts, and the gentleman, my colleague, and the gentleman from Massachusetts could not go upon a military reservation, unless by consent as the power to exclude is there. The same way I say to the gentleman from Alabama [Mr. HOBSON], who was in the Navy. You can not go upon a battleship except by consent. The ship is United States territory just as much as any other territory, and we have the power to make regulations as to how men shall go and come upon a battleship, and it seems to me we are making ghosts upon our own imagination and then running from them.

Mr. BORLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BORLAND. I would like to ask the parliamentary status. I understood the motion of the gentleman from Kentucky was—

The CHAIRMAN. The amendment of the gentleman from Kentucky is pending, the second amendment which he offered.

Mr. HOBSON. Mr. Chairman, I want to be recognized for the purpose of asking a question of the chairman of the committee.

Mr. ADAMSON. I am not on the floor.

Mr. HOBSON. Then I will take the floor.

Mr. ADAMSON. I do not think that is in order.

Mr. HOBSON. I move to strike out the last two words.

The CHAIRMAN. The gentleman from Alabama moves to strike out the last two words.

Mr. HOBSON. I want to be informed if this provision in the bill meets with the approval of the canal authorities.

Mr. ADAMSON. I stated in a speech on the floor some time ago, as it was drawn and reported by the committee, it met the approval of the chief engineer, Col. Goethals.

Mr. HOBSON. I simply wish to add, Mr. Chairman, that the question of the military features of the Panama Canal ought to be given full consideration in all such matters. The probable issue of future war will be settled by the fact of whether we are able to command and control the free passage of the canal or not, and our ability to control the free passage of the canal will unquestionably hinge upon the legislation we now provide that would give our officials proper authority to control the access of persons to that canal.

Mr. COOPER. Will the gentleman permit a question in the line the gentleman has taken in discussing this very important section? Let me ask him this question: This first part of section 10, as it was worded, would it require an inspection of passengers on ships passing through the canal, by the governor or under his authority, and the crews of freighters?

Mr. HOBSON. I would hesitate to interpret it in that regard, but I would not hesitate to say that in particular cases where the safety of the canal was involved the governor would as-

sume the authority to inspect any ship or any passenger on any ship that goes through the canal. Otherwise the passenger ship might be carrying a person with malevolent intentions toward the canal, and at certain critical stages might even sink his own ship or at least utilize the position of that ship to destroy important engineering works. That is an inherent part of our authority to protect the canal that is involved in the section. It is a fact in American practice in connection with our forts and our stations, and for a time past in connection with our ships, that we did not exercise that vigilance in keeping from the outside world knowledge of our affairs and our military features that was important for our efficiency in time of war. It is only year before last that we were finally able to get the authority under which a spy caught red-handed could be tried and convicted, and we need not fear that in adopting this section and the authority to make regulations, as provided in the amendment offered by the gentleman from Kentucky, we need not fear that we might do injustice to the sight-seeing activities of legitimate sojourners and the movements of citizens who are there for legitimate purposes.

Mr. ADAMSON. Mr. Chairman, I believe the last amendment offered by the gentleman from Kentucky has not been voted upon.

Mr. SHERLEY. Mr. Chairman, I would like to have it reported again so that I might offer a suggestion.

The amendment was again reported.

Mr. SHERLEY. Mr. Chairman, I would like to have unanimous consent to make the substitution read, "any of such rules or regulations," so as to conform to the exact language of the amendment adopted.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to amend his amendment by the insertion of the words indicated.

Mr. MANN. Mr. Chairman, reserving the right to object, I would like to ask the gentleman one question.

Mr. SHERLEY. Certainly.

Mr. MANN. Whether the gentleman thinks the provisions would come within the decision of the courts about the forest reserves in reference to violating rules and regulations. Has the gentleman laid a sufficient foundation here to constitute a misdemeanor upon a violation of the regulations?

Mr. SHERLEY. There is really a question of law how far the regulation can be issued the violation of which creates a punishable offense, but inasmuch as the gentleman says the foundation for punishment is given as to a specific thing, why, then, regulations to carry that out are, I think, lawful, and their violation can be made punishable.

Mr. MANN. If we provide by law directly the governor of the Canal Zone should have control over the admission of persons to the Canal Zone, I think we could then give power to make regulations a violation of which might constitute a misdemeanor; but without that, I doubt it very much.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CAMPBELL. Mr. Chairman, on the question suggested by the gentleman from Kentucky, I desire to say we give to the Commissioners of the District power to make regulations, and the courts have sustained their right to make those regulations and enforce them to the extent of fine and imprisonment.

Mr. ADAMSON. The committee accepts that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky, as changed by unanimous consent.

The question was taken, and the amendment was agreed to.

Mr. BORLAND. I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BORLAND. That amendment goes in after the concluding words of the new portion on line 16, page 14. I do not know what the concluding portion is, but it is just before the word "any," on line 16 of page 14.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 16, insert, before the word "any," the following: "Provided, That such regulations shall not exclude persons engaged in ordinary business or travel from being upon or passing over any portion of the zone except designated portions adjacent to the locks and other works and necessary to the policing thereof."

Mr. ADAMSON. Mr. Chairman, I move that the debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate on this section and all amendments thereto close in five minutes.

The question was taken, and the motion was agreed to.

Mr. BORLAND. Mr. Chairman, I voted for the amendment of the gentleman from Kentucky [Mr. SHERLEY] to change this section instead of making a man prima facie a criminal when he



was found on the zone, to at least provide that the governor or some one in authority and supposed to exercise discretion should make regulations, and the violation of those regulations should constitute the offense. I voted for that as a mitigation of the rigor of the original rule. But it does seem to me, especially in view of what the gentleman from Illinois [Mr. MANN] has said, that the purpose is not served even by that amendment. I want to make that canal down there a great commercial highway and invite all the nations of the world to use it as freely as is consistent with good order and good government and safety. But it is just as consistent, so far as 80 per cent of that canal is concerned, with good order and safety for them to use it as it is for them to use the plaza in front of this building or the steps in front of the United States Treasury. There is not a particle more reason to exclude people from 80 per cent of that zone than there is to exclude them from the steps of the United States Treasury.

Mr. MOORE of Pennsylvania. Does the gentleman's idea carry him so far that he would provide for the construction of warehouses at the mouth of the canal?

Mr. BORLAND. I have gone over that. I would like to have warehouses built.

Mr. MOORE of Pennsylvania. In which merchandise and samples could be displayed?

Mr. BORLAND. I am in favor of that. Here are two cities, Colon and Panama, that by our treaty are excluded from our jurisdiction, but territorially are in the zone. They are surrounded by a line of posts. If those cities grow at all, they have got to grow on American territory. If they grow on a military zone, coming right up to the limits of the city, a man on the zone is there by sufferance or favoritism, or whatever you call it. I was born and lived for 12 years of my life near Fort Leavenworth, and I know that some fellows were always on the reservation conducting some business by governmental favoritism. Every law-abiding citizen ought to have the same right there to go down and conduct commerce. Talk about ghosts, the ghosts are that somebody will take dynamite down there and blow up the locks, which are large enough to contain any private structure in the city of Washington. The ordinary policing around those locks for a mile or half a mile would be ample to protect them. My provision is to reduce or proscribe that zone to the amount that the governor declares would be necessary for the policing of the locks. The remainder of the 400 square miles ought to be open for commerce, every bit of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BORLAND].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The amendments to section 11, by the order of the House, will be passed. The Clerk will read section 12.

The Clerk read as follows:

SEC. 12. That all laws and treaties relating to the extradition of persons accused of crime in force in the United States, to the extent that they may not be in conflict with or superseded by any special treaty entered into between the United States and the Republic of Panama with respect to the Canal Zone, and all laws relating to the rendition of fugitives from justice as between the several States and Territories of the United States, shall extend to and be considered in force in the Canal Zone, and for such purposes and such purposes only the Canal Zone shall be considered and treated as an organized Territory of the United States.

Mr. BROUSSARD. I understood that when we reached section 11 amendments might be offered.

The CHAIRMAN. They may be offered or may not. We will reach the section again, when they can be offered, or Members can offer them now.

Mr. BORLAND. I desire to offer another amendment.

The CHAIRMAN. If there is no objection to it, it is all right, but we have passed the section.

Mr. BORLAND. We are still on section 10.

The CHAIRMAN. We have passed section 11 and gone on to section 12.

Mr. BORLAND. Section 11 was passed by former agreement.

The CHAIRMAN. The Chair stated that by order of the House section 11 had been passed, and the Clerk would read section 12.

Mr. BORLAND. That was made by order of the House, not by order made now. We have not begun to read section 12.

The CHAIRMAN. Does the gentleman want to offer an amendment to section 10?

Mr. BORLAND. I want to offer an amendment to section 10. Section 11 is the one we are on now, unless we had read section 12.

The CHAIRMAN. The gentleman had perfect liberty to offer an amendment to section 11. Section 10 is passed. The Clerk will read section 12.

Mr. BORLAND. I would like to have the Chair hear me on that point. Sections 5 and 11 were passed by previous order

of the House. No order was made at this time. The previous order of the House provided for their passing until the other sections were concluded. We were working on section 10 until we began to work on section 12.

Mr. ADAMSON. We had begun on section 12.

The CHAIRMAN. Evidently the gentleman from Missouri [Mr. BORLAND] was not observing what was occurring. The Chair stated positively, by order of the House, section 11 would be passed, and the Clerk would begin to read section 12, and he began the reading.

Mr. BORLAND. But it was not by virtue of that statement that we passed section 11.

The CHAIRMAN. We were reading section 10, and section 11 was passed. If the gentleman desires to ask unanimous consent to return to section 10, the Chair will entertain the motion.

Mr. BORLAND. I will not do that. I think that was by inadvertence.

The CHAIRMAN. Without objection—

Mr. ADAMSON. Mr. Chairman, I object. We started section 12, and we want to make progress.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 12. That all laws and treaties relating to the extradition of persons accused of crime in force in the United States, to the extent that they may not be in conflict with or superseded by any special treaty entered into between the United States and the Republic of Panama with respect to the Canal Zone, and all laws relating to the rendition of fugitives from justice as between the several States and Territories of the United States, shall extend to and be considered in force in the Canal Zone, and for such purposes and such purposes only the Canal Zone shall be considered and treated as an organized Territory of the United States.

Mr. MANN. Mr. Chairman, I offer an amendment to section 12.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. MANN].

The Clerk read as follows:

Add, after section 12, the following: "That the President shall provide a method for the determination and adjustment of all claims arising out of personal injuries to employees thereafter occurring while directly engaged in actual work in connection with the construction, maintenance, operation, or sanitation of the canal or of the Panama Railroad, or of any auxiliary canals, locks, or other works necessary and convenient for the construction, maintenance, operation, or sanitation of the canal, whether such injuries result in death or not, and may revise and modify such method at any time; and such claims, to the extent they shall be allowed on such adjustment, if allowed at all, shall be paid out of the moneys hereafter appropriated for that purpose or out of the funds of the Panama Railroad Co., if said company was responsible for said injury, as the case may require. And after such method shall be provided by the President, the provisions of the act entitled 'An act granting to certain employees of the United States the right to receive from it compensation for injuries sustained in the course of their employment,' approved May 30, 1908, and of the act entitled 'An act relating to injured employees on the Isthmian Canal,' approved February 24, 1909, shall not apply to personal injuries thereafter received and claims for which are subject to determination and adjustment as provided in this section."

Mr. MANN. Mr. Chairman, this is the same provision as was in the canal bill that we passed before.

Mr. ADAMSON. If it is framed up in the proper shape so as to make it law it will not be objectionable. We are trying to divorce the President from the function of legislating down there, so that if the gentleman will put that in the proper shape I will not object to it at all.

Mr. MANN. Well, as the gentleman has repeatedly stated on the floor, the whole theory of this bill is to hold the President responsible for the operation of the Canal Zone and the administration of the canal.

Mr. ADAMSON. But we do not want him to legislate.

Mr. MANN. This does not give the President the power to make law. It only gives the President, through the officials down there, the right to make adjustments for personal injuries. We are operating the Panama Canal now as a business proposition. There is no reason why we should not take care of those who receive personal injuries in the course of that operation instead of requiring them to come before Congress for special bills or be limited to one year's pay such as is now provided.

The gentleman from Georgia [Mr. ADAMSON] was agreeable to this proposition when we passed it before. No one objected to it then, and I hope no one will object to it now. It is not practicable to do it in any other way than this.

Mr. ADAMSON. Mr. Chairman, when we passed the bill before, we were building the canal, and the gentleman from Illinois [Mr. MANN] and I always agreed that it was then too early to make permanent and general legislation. I agree to the general principle of paying these casualties down there if men are hurt, and frankly I am not in favor of scrutinizing too closely the facts as to exactly how far a man was to blame if he got hurt in the line of his duty. But we object to the



President making laws down there. That duty should be left to Congress. We hold the President responsible for the administration of the laws down there. If the gentleman from Illinois will modify his proposition and restrict it to the casualties that happen down there, and make it law right now, I will agree.

Mr. MANN. There is no other way of extending the law, except in the way suggested, as the gentleman from Georgia will readily see. The limit of compensation allowed to men who receive injuries down there is now one year's pay, which is not a proper limit on the Canal Zone, when we are operating the canal as a business enterprise.

Mr. ADAMSON. I will say, Mr. Chairman, that I am in sympathy with the suggestion of the gentleman, and I think that he and I can agree upon the provision. If we can pass this section over until the bill is finished, I think we can agree about it.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent to pass over this section for the time being without prejudice. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 13. That in time of war in which the United States shall be engaged, or when, in the opinion of the President, war is imminent, such officer of the Army as the President may designate shall, upon the order of the President, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all of its adjuncts, appendants, and appurtenances, including the entire control and government of the Canal Zone, and during a continuance of such condition the governor of the Panama Canal shall, in all respects and particulars as to the operation of such Panama Canal, and all duties, matters, and transactions affecting the Canal Zone, be subject to the order and direction of such officer of the Army.

Mr. MONDELL. Mr. Chairman, I move to strike out section 13.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 17, strike out all of section 13.

Mr. MONDELL. Mr. Chairman, section 13 contemplates the fortification of the Panama Canal. As such fortification will necessarily render the canal liable to blockade and bombardment—make it subject to blockade and bombardment—as it will make it a point where a foreign enemy will first strike us in case of war, if we are to fortify, if we are to turn this great work of peace into an adjunct of war, it is entirely proper that we should have this provision in which in time of war the governor shall be an officer of the Army. But our treaty with Great Britain provided for the neutralization of the canal. We guaranteed under that treaty that no act of war should ever be exercised within the canal. We pledged ourselves against bombardment, and yet this section, if it has any meaning at all, is clearly an evidence of our intention to violate the fundamental provisions of the treaty. I know that in the present temper of the House that will not cut much of a figure.

Mr. HOBSON. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. HOBSON. I want to ask the gentleman if he can conceive any means by which we could enforce that neutrality provision of the treaty without making such provision as we have here?

Mr. MONDELL. My personal view of it is that it is beyond the limits of possibility to keep the canal open and in use in time of war if we fortify it; whereas by international agreement, under which it will be to the interest of all the nations at all times to keep the canal open, we will be able to maintain the canal for the benefit of commerce and keep it open for the use of our battle fleets in time of war. Fortification, in my opinion, defeats its own object. To attempt to fortify is to fly in the face of our solemn pledges and obligations, and further than that it is to do a thing that while it will cost us in every century of time at least four times what the canal itself has cost, will not keep the canal open in the face of the enemy that commands the sea at either end. All military men agree to that, and yet we propose to plant these fortifications as though they would be of some value.

Unless we have a Navy strong enough to command the sea they would be absolutely valueless. Without fortification all the world is willing and anxious to aid us in maintaining the neutrality of the canal in protecting it because all the world wants of the canal is an opportunity to use it. That opportunity is best obtained when the canal is open at all times to the ships of commerce and, for that matter, to the ships of war. That has been our thought and intent in regard to the Panama Canal from the beginning. Every great American that has ever expressed an opinion in regard to it up to four or five years ago has expressed the opinion that the canal should be neutralized and should under no circumstances be subject to

the vicissitudes of war; and yet we are proposing in this legislation to do the very thing to make the canal valueless to us in case we have a war.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. MOORE of Pennsylvania. I am inclined to agree with the gentleman, but have we not gone so far that it is too late to retrace the steps?

Mr. MONDELL. A question is never settled until it is settled right. Having made an appropriation of \$3,000,000 for beginning the work that will cost \$100,000,000 is not, I think my friend from Pennsylvania will agree with me, a settlement of the question. Congress has not fully considered the matter or taken into consideration the enormous cost, and, more than that, has not considered the utter futility of it.

Mr. MOORE of Pennsylvania. Does the gentleman take into consideration the further objection that, in addition to the great cost of armament, it will cost \$25,000,000 per annum for maintenance?

Mr. MONDELL. No fair estimate has ever been made less than that.

Mr. SHERLEY. If the gentleman will pardon me, has there been an estimate that placed it anywhere close to it?

Mr. MONDELL. Twelve thousand men of all arms will cost us twelve to fifteen million dollars.

Mr. SHERLEY. No more than it would stationed at your forts out West. [Laughter.]

Mr. MONDELL. The upkeep of the fortifications would cost at least \$50,000,000. This expense would be in addition to our present Army expenditures at home.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. TOWNER. Mr. Chairman, it occurs to me that while there may be some question as to the wisdom of fortifying the canal, that this provision ought not to be considered as bearing upon that question in the slightest degree. In fact, as it seems to me, this provision would be more necessary if we did not fortify the canal than if we did.

There can be no question but that the President of the United States would have the right to declare martial law over any part of the territory of the United States—and this certainly is part of the territory of the United States—in case it should become necessary for our own national defense, and that would be true whether the canal was fortified or not.

Mr. MONDELL. Will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. MONDELL. What is the necessity of having a military government on a neutralized canal?

Mr. TOWNER. The gentleman asks a question that it is impossible to answer, because we have not a neutralized zone. It is true that we neutralize the use of the Panama Canal, but we have not a neutralized zone, and our treaty does not so imply. We have a zone that is a part of the territory of the United States, which it will be necessary for this Government to protect, and if it should become necessary to declare martial law in order to protect that, or any other interest of this Government, the Government would certainly have the power to do so. This provision of the law is only to do that more effectively and to do it more easily. I am inclined to think that the power already exists to do in effect what this provision says may be done, but certainly it only does it in a more effective way, and therefore I think it is entirely advisable.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word. I have always had the impression that we wanted to do something with this canal that would be of profit to the commerce of the United States, but a recent visit to the canal indicated that the whole purpose of the canal, from the viewpoint of most of those on the Isthmus, was to make it a military reservation. We have been expending a great deal of the people's money on this canal, and we ought to maintain it as befits a great Nation like the United States, even if we do have to stand there as the almoner of the world and give the world the opportunity to use it. As a matter of fact, we are very largely in the position of maintaining it for the rest of the world. That is to say, Germany and England, having entered the South American market, and having largely absorbed the commerce of Latin America, we have provided for them the means of entrance and of exit in order that they may do the business in South America which we have thought we might be able to do ourselves. Now, it appears we are to pay for the passageway through which our commercial competitors are to go. I do not believe that even the Congress of the United States knows what the canal is going to cost.

Mr. ADAMSON. Mr. Chairman, if the gentleman will yield there, I will suggest that the reverse of his position is true. Instead of saying we pay for their passage, he should say that



they pay us for their passage, and that is the only way we will ever get any returns from the canal.

Mr. MOORE of Pennsylvania. They will pay us for the passage, if this bill passes, at the rate of, say, \$1 per ton, but, according to the best estimate that we have received, we will not in any one year pass more than 10,000,000 tons, which will make a return of \$10,000,000, if we pass that much tonnage.

Speaking along the line of neutrality as raised by the gentleman from Montana [Mr. MONDELL], and answering the gentleman from Kentucky [Mr. SHERLEY], who raised some question about it a moment ago, I assume it is greatly to be desired especially as a method of reducing the maintenance cost. I would like to call the attention of the House to page 415 of the first volume of the hearings before the Committee on Interstate and Foreign Commerce, in which a most interesting colloquy takes place between the gentleman from Minnesota [Mr. STEVENS] and Col. Goethals, the chief engineer of the canal. I hope I may have time to read a portion of that very illuminating statement. Mr. STEVENS is interrogating Col. Goethals:

Mr. STEVENS. Estimating then that the operation and maintenance require \$3,500,000, there should be added a reasonable expense for administering the government of the Canal Zone. For the purposes of canal administration last year it was testified by Mr. Thatcher yesterday that there was expended \$1,100,000 for such administration. In all probability, would or would not that be reduced the year beginning with the permanent charge for the canal?

Col. GOETHALS. That ought to be reduced very materially.

Mr. STEVENS. Was that your estimate to the chairman, which was about \$4,000,000?

Col. GOETHALS. Including sanitation and civil administration, provided colonization was not entered into.

Mr. STEVENS. Then we have the annual interest charge upon the principal expended for the construction of the canal. What would that be?

Col. GOETHALS. \$12,000,000 per annum.

Mr. STEVENS. It has been stated in the hearings that there would be needed for defense here eight batteries of Coast Artillery, a division of Infantry, and a battalion of Field Artillery.

Col. GOETHALS. That is the estimate prepared by the Chief of Staff or General Staff.

Mr. STEVENS. That has been decided by the military authorities in Washington who have been appointed to report upon that subject. How many men in eight batteries of Coast Artillery?

Col. GOETHALS. There are about 150 men to a battery for a heavy gun.

Mr. STEVENS. That would be about 1,200 men. Estimating that number of men at approximately \$1,000 per man, what does that amount to?

Col. GOETHALS. \$1,200,000.

Mr. STEVENS. A division of Infantry would be about how many troops?

Col. GOETHALS. Three regiments to a brigade and two brigades—about 1,000 men to a regiment—would be 6,000 troops.

Six thousand infantrymen! That is what you want to put on the canal apart from your Coast Artillery. But, to continue:

Mr. STEVENS. At the average of \$1,000 per man, that would be how much?

Col. GOETHALS. Six million dollars.

Now, you have added your Infantry to your Coast Artillery, and you are building up a splendid establishment there to protect the canal, which we thought was built for commercial enterprise—

Mr. STEVENS. These batteries of Field Artillery—how much would that be?

Col. GOETHALS. Four hundred and fifty men; about.

Mr. STEVENS. Which would cost a good deal more on account of the horses?

Col. GOETHALS. Say another \$1,000,000 to cover the Field Artillery.

Mr. STEVENS. That would be a total for the military expense for the protection of this canal of how much?

Col. GOETHALS. \$8,500,000, practically.

That is per annum, plus your \$3,500,000 for civil government.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield for a question.

Mr. MONDELL. The gentleman knows that since then the estimates have been considerably increased over those given by Col. Goethals.

Mr. MOORE of Pennsylvania. That makes it so much worse.

Mr. MONDELL. They have added \$4,000,000 since then.

Mr. MOORE of Pennsylvania. Mr. STEVENS then goes on. He is tracing out the total cost of the defenses, defenses which, to a certain extent, will be a menace and will induce the world to believe we have put a chip upon our shoulder to fight anybody that comes along. Let me read:

Mr. STEVENS. Then we have items for the construction \$12,000,000; protection, \$8,500,000; and operation and maintenance, \$4,000,000, as a minimum.

Mr. DOREMUS. You have not included the naval attachment down here.

Mr. KNOWLAND. Put the wireless station in also.

Mr. STEVENS. The Navy contemplates keeping how many marines here?

Col. GOETHALS. They now have 450. They have asked for a site for an advanced base for three battalions, practically 1,200 men. There is another \$1,200,000.

Mr. STEVENS. Making, then, the total expense to the people of the United States annually, on account of caring for this enterprise, for its construction, operation, control, and protection, of about \$27,000,000 annually?

Col. GOETHALS. Yes, sir. With 7,000,000 tons of freight, not as a possible amount of traffic but as an actual amount of traffic, we would require \$4 a ton, and we would have no ships through the canal.

Mr. KNOWLAND. Of course, that would make the tolls prohibitive.

Col. GOETHALS. Yes.

Mr. KNOWLAND. And the commercial value of the canal would be completely destroyed?

Col. GOETHALS. Entirely. We can save \$130,000,000 if we stop right now. The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. The total maintenance cost runs up to \$27,000,000 per annum, and that does not include a vessel of war on either side of the canal. I insist, Mr. Chairman, that the Panama Canal was built to help us develop our commerce. It ought not to be overweighted with a military establishment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. WEEKS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read:

That the civil employees in the canal service between the ages of 18 and 45 years shall be organized into a heavy artillery regiment, which force shall perform such military service, engage in such drills, and be governed by such regulations as the Secretary of War may direct: *Provided, however,* That the number of such drills shall not exceed 52 in any one year and the annual encampment which may be prescribed shall not exceed two weeks.

That for this service officers and men shall receive as compensation the rate of pay to which officers of the same grade and men of the Regular Army would be entitled to for the same length of service, but in no case shall the allowance for this service exceed \$200 annually for an officer or \$100 annually for an enlisted man, and this allowance shall be made at such times and under such regulations as the Secretary of War may prescribe.

Mr. ADAMSON. Mr. Chairman, I do not think that that is in order on this bill. It is a provision that ought to go to the Committee on Military Affairs, and I make the point of order that it is not germane to this proposition.

Mr. WEEKS. Mr. Chairman, I would like to be heard upon that proposition. We are providing in this bill for a military force for the defense of the canal.

I am proposing by this amendment that civil employees on the Isthmus shall be organized into a force to supplement the men of the Regular Army to be sent there for the protection of the canal. Civil employees will generally be of military age, they will be acclimated to conditions as they exist on the Isthmus, and will, therefore, be immune from troubles which would affect men sent there for military or other service.

By making this authorization the necessity for sending at least one regiment of Heavy Artillery to the Canal Zone will be obviated, thereby bringing about an economy of something like \$800,000 a year. Therefore it seems to me that such an amendment should appeal to the economic claims of the Members on the Democratic side of the House, as it will produce a saving, and I think the amendment should be in order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

SEC. 14. That this act shall be known as and referred to as the Panama Canal act.

Mr. ADAMSON. Mr. Chairman, I have a committee amendment which I desire to offer. I did not deem it entirely necessary, but gentlemen have asked me to offer it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, by adding at the end of the bill, beginning after the word "act," line 25, page 17, the following: "And the right to alter, amend, or repeal any or all of its provisions, or to extend, modify, or annul any rule or regulation made under its authority is expressly reserved."

Mr. MANN. Mr. Chairman, it is immaterial to me whether the amendment is agreed to or not, but I do not like to have this go into the law without a statement made that it is entirely, and wholly unnecessary. We put that provision in laws which confer special franchises or special rights upon individuals or corporations which may be treated in the nature of a contract, but this does not make a contract with anyone. It merely carries the right to create another governmental instrumentality, and it goes without saying that we have the right to alter, repeal, or modify or change any regulation. While I care nothing whether the amendment goes in, I did not wish anybody to think that it is necessary to put in a general legislative law a provision that we have the right to repeal it.

Mr. ADAMSON. Mr. Chairman, my own opinion concurs with that of the gentleman from Illinois; but other gentlemen, who are great parliamentarians, suggested we put that in, and I am perfectly willing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was agreed to.

Mr. ADAMSON. Mr. Chairman, going back to section 5, I wish to see if we can reach an agreement as to debate.



The CHAIRMAN. The Clerk will read the section first.  
The Clerk read as follows:

SEC. 5. That the President is hereby authorized to prescribe, and from time to time change, toll charges for the use of the Panama Canal by all vessels, except those belonging to the Government of the United States (including those of the Panama Railroad Co.) and the Government of the Republic of Panama, which excepted vessels shall be charged no tolls. Charges may be based upon gross or net registered tonnage, displacement tonnage, or otherwise, and may be based on one form of tonnage for warships and another for ships of commerce, but the tolls shall not exceed \$1.25 per ton, based upon net registered tonnage for ships of commerce, nor be less than the estimated proportionate cost of the actual maintenance and operation of the canal: *Provided, however*, That under regulations prescribed by the President a vessel paying toll going through the canal in ballast shall, on its return trip through the canal laden with cargo, be entitled to receive a rebate of 50 per cent of the tolls just previously paid going through in the opposite direction without cargo. No preference shall be given nor discrimination shown, directly or indirectly, to the vessels of any nation, its citizens or subjects, other than vessels belonging to the Government of the United States (including those belonging to the Panama Railroad Co.) and the Government of the Republic of Panama, observing the rules and regulations of the Panama Canal. The toll for each passenger shall be not more than \$1.50. The President is authorized to make, and from time to time amend, regulations governing the operation of the Panama Canal and the passage and control of vessels passing through the same or any part thereof, including the locks and approaches thereto, and all rules and regulations affecting lighting, pilots, and pilotage in the canal or the approaches thereto through the adjacent waters.

Such rules and regulations shall expressly deny and forbid the use of the Panama Canal to all the classes of vessels the passage of which through the Panama Canal, or any part thereof, is made and declared unlawful by section 11 of this act.

Such regulations shall provide for prompt adjustment by agreement and immediate payment of claims for damages which may arise from alleged injury to vessels, cargo, or passengers from the passing of vessels through the locks under the control of those operating them under such rules and regulations. In case of disagreement, suit may be brought in the District Court of the Canal Zone against the governor of the Panama Canal. The hearing and disposition of such cases shall be expedited, and the judgment shall be immediately paid off without proceeding to execution. All such claims, whether by agreement or after judgment, shall be paid out of any moneys appropriated or allotted for canal operation.

Mr. ADAMSON. I wish to offer a committee amendment to section 5, and then see if we can reach an agreement as to time for debate upon the section and all amendments.

The CHAIRMAN. The Clerk will report the amendment.  
The Clerk read as follows:

Amend section 5 by striking out the entire sentence beginning with the word "No," on line 22, page 5, and ending with the word "canal," line 5, page 7. The language to be stricken out reads as follows:

"No preference shall be given nor discrimination shown, directly or indirectly, to the vessels of any nation, its citizens or subjects, other than vessels belonging to the Government of the United States (including those belonging to the Panama Railroad Co.) and the Government of the Republic of Panama, observing the rules and regulations of the Panama Canal."

And insert in lieu thereof the following:

"The rate of toll shall be uniform upon all vessels, except the official vessels of the Governments of the United States and the Republic of Panama, but when based on different forms of tonnage for different classes of vessels the rate fixed in each case shall be substantially equivalent to the rate based on any different form of tonnage."

Mr. ADAMSON. The gentleman from Louisiana [Mr. BROUSSARD], myself, and some other gentlemen have talked about a fair division of time for debate on this tolls proposition. Mr. BROUSSARD and I thought an hour would be sufficient to discuss it, having had such a long general debate, and I ask unanimous consent that on this section and all amendments and substitutes to it we shall have a debate of one hour a side, one-half to be controlled by myself and one-half by the gentleman filing the minority report on that subject.

Mr. MANN. Mr. Chairman, reserving the right to object, I would like to ask the gentleman what he contemplates the procedure would be during the two hours and at the end of the two hours upon these propositions which have been or may be submitted to the gentleman from Georgia.

Mr. ADAMSON. Well, I do not care whether I have the last speech or the first speech or the speech in the middle.

Mr. MANN. I do not care when the gentleman speaks, but we have now submitted some four, five, or six amendments to this section. Everyone knows that if we have two hours general debate here that immediately after it was announced men who have not had their lunch will go out to get it, and those who have had their lunch will go to their offices to transact business, and at the end of the two hours when you come to a vote no one but the few who have remained here will know what the different propositions are.

Mr. ADAMSON. Then I am willing to modify the proposition. Mr. BROUSSARD did not speak in general debate and Judge SIMS did not. I am perfectly willing to say those two gentlemen shall have some time each and then go on under the five-minute rule as usual.

Mr. SULZER. Mr. Chairman, I have an amendment and I would like to have 15 or 20 minutes to discuss it. I have very decided views upon this proposition.

Mr. MANN. I have exceedingly decided views upon this proposition, but I am not going to impose upon the House or

committee by asking for an extension of time. I think, on the contrary, I shall withdraw the amendment I have pending and advise the House to vote for the Doremus substitute.

Mr. ADAMSON. I am perfectly willing to allow the two members of the committee who did not speak in general debate to have 20 or 30 minutes, and then proceed under the 5-minute rule.

Mr. MANN. Mr. Chairman, reserving the right to object, it is now 2 o'clock. We have two controverted propositions here, but I am perfectly willing to have the gentlemen talk, but it seems to me it is hardly fair to the House for gentlemen to make long speeches now at the expense of other gentlemen who desire to eat their dinners this evening.

Mr. GARNER. May I make this suggestion to the gentleman from Georgia?

Mr. Chairman, would you not obviate this situation if you should go on under the five-minute rule, and when the gentleman from Louisiana [Mr. BROUSSARD] gets up to address the committee and he should ask unanimous consent to continue for 20 minutes, the committee would likely give it to him; and when the gentleman from Tennessee [Mr. SIMS] asks 20 minutes, it would be given to him; and then if the gentleman from New York [Mr. GOLDFOGLE] will get some time and would ask the committee's indulgence for a little while and receive it, and in that way you would progress along on these different provisions, and in that way the committee would get the benefit of what these gentlemen have to say? I believe that we could get to a vote before 4 o'clock.

Mr. ADAMSON. Mr. Speaker, I modify my request in accordance with the wise suggestion of the gentleman from Texas [Mr. GARNER]—that we go on under the five-minute rule, and that when the gentleman from Louisiana [Mr. BROUSSARD] and the gentleman from Tennessee [Mr. SIMS] address the Chair they be allowed to proceed for 20 minutes each.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that we proceed under the five-minute rule, and that when the gentleman from Tennessee [Mr. SIMS] and the gentleman from Louisiana [Mr. BROUSSARD] address the Chair they each be recognized for 20 minutes.

Mr. MONDELL. I would like to know if the gentlemen named are not on the same side of the proposition?

Mr. SIMS. Not by any means.

Mr. ADAMSON. No, sir.

Mr. COOPER. Mr. Chairman, do I understand that there is a time set for a vote on this?

The CHAIRMAN. No.

Mr. COOPER. It is one of the most important questions to come before the House.

Mr. MOORE of Pennsylvania. I would like to know if the agreement as to 20 minutes is that they will consume the 20 minutes and no one can talk on their amendments?

Mr. ADAMSON. It is not.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ADAMSON. Mr. Chairman, in the majority report, while an argument is made for uniformity of tolls, with the exception of the official vessels of the United States and of the Republic of Panama, and while it is stated that the position of the majority of the committee is that the treaties require that sort of treatment and would forbid preferential tolls, it was expressly stated that the committee did not necessarily base its action upon that ground, but upon the ground that we needed the tolls in the canal; that we feared there would not be much foreign business during the first year; that the coastwise trade was amply protected from all the balance of the world as to competition; that it did not need the tolls; that there were plenty of them to do the business; and if we wanted to do anything for the coastwise trade we ought to give it to all of them, and not to the small percentage going through the Panama Canal.

As we were in perfect good faith, the majority of the committee thought we had stricken from the bill all mention of the treaty. Some of the gentlemen on the floor seemed to complain of that language, and I thought it was only in the interest of truth and justice and due the committee that I state again that it was the position of all the committee except one or two, and that it is offered here by instruction of the committee, in accordance with the majority report, as an amendment that the committee insist on now to open the canal and fix the tolls, with the exception of the ships named, and leave the future of the canal, if success or failure, to indicate or dictate to us if there ought to be any changes made. If it is necessary to negotiate with England about it, or if unnecessary, let the future of the canal determine it. We can not agree with the gentlemen who say, "We will take our position, and if the



other nations of the world do not like it, then go to The Hague or some other tribunal to settle the question." That is not the course to pursue. They might say, "Go and litigate the claim of Colombia at The Hague." England might say, "We will just close the Welland Canal." We do not want to construe the treaty. We do not want to precipitate any lawsuits or any trouble, belligerent or otherwise, with any other nation. We have spent \$400,000,000 down there, and we have a great enterprise. We want it to succeed. We want gentlemen to unite with us and forego their claims for special interests and let us open that great enterprise and see what its returns will be and what its success will be, and if we find it advisable to change our course we can change the plan. [Applause.]

Mr. MANN. Mr. Chairman, I hope the amendment offered by the gentleman from Georgia [Mr. ADAMSON] as a committee amendment will not be agreed to.

Mr. Chairman, I have desired as far as possible to follow the lead of the committee which reported this bill, a committee of which for many years I was a member and at one time the chairman. But I am compelled to part company with the committee on a proposition which I regard as essential to the prosperity of the country, and the amendment which the gentleman from Georgia now proposes involves the whole question. He proposes to insert in the bill the provision:

The rate of tolls shall be uniform upon all vessels except the official vessels of the Government of the United States and the Republic of Panama.

And when based on different forms of tonnage or different classes of vessels the rate fixed in each class shall be substantially equivalent to the rate based on any different form of tonnage. Under the provision of the gentleman you would have to charge the same rate on warships on displacement tonnage that you would have to charge if it was registered tonnage. But that is an immaterial objection perhaps—a matter of form. I am opposed to any proposition which commits this Government to a construction of the Hay-Pauncefote treaty to the effect that, having spent \$400,000,000 out of the National Treasury, we are not permitted to give any preference to our own merchant marine passing through the canal. [Applause.] I believe we ought to give preference to the coastwise vessels and also to the vessels flying the American flag and engaged in foreign service. [Applause.] Therefore I am not willing to have the amendment of the gentleman from Georgia agreed to without some kind of a test vote in the House. Those of us who are in favor of having the canal give some preference to American ships flying the American flag ought to vote against this amendment, and those who are in favor of forever shutting out any preference to American vessels ought to vote in favor of the amendment. [Applause.]

Mr. BUTLER. Mr. Chairman, I move to strike out the last word, if that motion is necessary to enable me to secure a few minutes' time to express my views on the pending measure.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUTLER] is recognized.

Mr. BUTLER. I am told, Mr. Chairman, that we are asked to surrender a right without demand made and before a shot is fired at us; that we are asked to give up a right voluntarily; that we are asked to forego a great privilege that belongs to our own people, which no nation has questioned or requested us to surrender, largely upon the excuse that we have forfeited the right which we might otherwise have had if we had not so agreed. We are told that our free use of this waterway is in violation of a solemn agreement that we have made with the other nations of the earth. That agreement, it is said, was made with England, based upon the convention made at Constantinople.

Gentlemen endeavor to persuade us that we should refuse freedom to our ships and to our own people to use the waters of the Panama Canal without paying the same rate charged against strangers for a similar privilege. We are told that our hands are tied by the terms of a convention made and now existing in which the British Kingdom is one of the parties and the Republic of the United States is the other. This convention, widely celebrated and now in the public mind, is known as the Hay-Pauncefote treaty of a few years ago. We are warned that our agreement, so named, requires us to treat all nations alike and with the same degree of equality. This is one of the reasons to be urged against the adoption of pending amendments providing in effect for free passage by us through our own waterway.

If gentlemen of the committee will take the pains to examine the Constantinople convention, they will discover that we were not a party to it, and that the nations provided for in the Hay-Pauncefote treaty are the nations included in the convention made at Constantinople.

We expended our own money, \$400,000,000; we employed our own genius; we asked no nation to assist us. All this is the result of our own work, secured by American labor and American capital. England gave us in this treaty the permission, at our own cost, to build this great waterway; and at the same time, Mr. Chairman, that we agreed with her that we would construct this waterway at our own expense and at our own cost she agreed that we should have and enjoy all the rights incident to such construction, one of which, naturally, is the right to use the canal.

Now, it is a well-understood rule of law that every man who makes an agreement makes it favorable to himself. Does this agreement show that we made it unfavorable to ourselves? Does the language overcome the presumption? The next provision of this agreement reads:

The canal shall be free and open to the vessels of commerce and of war of all nations observing the rules—

Mark you, the language used—

on terms of entire equality, so that there shall be no discrimination against any "such nations."

What nations do the words "such nations" apply to? It is said that we have used as the basis of neutralization of our ship canal "the following rules as embodied in the convention of Constantinople." If gentlemen will turn to the convention of Constantinople they will discover that we were not a party to it, but that all the other nations of the world agreed how the neutralization of the Suez Canal should be made. England asked of us in this famous treaty—the Hay-Pauncefote treaty, afterwards agreed to—one condition, and that was, that such nations as are referred to in the agreement made at Constantinople should be treated fairly and squarely in the use of the canal. This is the fair interpretation of the words "such nations." [Applause.]

Mr. ADAMSON. Mr. Chairman—

Mr. BUTLER. Mr. Chairman, has my time expired?

Mr. GOLDFOGLE. Mr. Chairman—

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUTLER] has not yet expired.

Mr. BUTLER. I am unwilling, as one Member of this House, to forever forego the right to claim a great privilege that may or may not belong to us. I am unwilling to give away that which may be our own. I am unwilling to concede that which is not demanded of us and thereby commit the American people to a condition that may never arise. It may occur that some time in the future some tribunal to which this great question is submitted will decide that this privilege is ours. Why should we now surrender it before the demand is made? Do we break our agreement with these great nations because we now insist that this privilege is ours? I can not see, Mr. Chairman, why we violate our own agreement, why we break our word, passed by us through convention, ratified by our people, and accepted by all the nations of the world. We should at this time take unto ourselves what, according to the fair construction of this agreement, belongs to us and which stands undenied.

Before my time expires I wish to congratulate these learned men who have prepared these reports. If they had all agreed upon the construction of this treaty I, for one, would have had no trouble in reaching a conclusion. But these experts, these members of this famous Committee on Interstate and Foreign Commerce, these jurists, these gentlemen learned in the law, having studied for weeks and for months this agreement, did tend to confuse us when they differed in their conclusions, some of them warning us that if we did not accept the provision as written in the bill our action would amount to a breach of our agreement and a violation of our word as a great Nation. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUTLER. I would like to have the privilege of extending my remarks in the RECORD.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUTLER] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Chairman, I tried to make myself clear, but the remarks of the gentleman from Illinois [Mr. MANN] and the remarks of the gentleman from Pennsylvania [Mr. BUTLER] indicate that they did not clearly understand me.

The object is to strike out the language that the minority report insisted would construe the treaty and foreclose our future rights in the matter. We eschew all reference to the treaty. We do not mention the treaty. We strike out the sentence they objected to, because it was said it resembles something in the treaty. It simply provides for uniform tolls, without mentioning that there is a treaty in the world, because we think that economically we need all the tolls alike from everybody.



Now, if in future years Congress deems that it has the power under the treaty to make special exceptions in favor of particular vessels, and if statesmen here get their consent to shutting their eyes to taking money out of the Treasury to give to special interests, and they say it is not a ship subsidy to take from the Treasury that owns it \$5,000 every time a ship goes through the canal and give it to the special shipping interests, all of which are either owned or financed by the same small financial coterie, Congress may do it.

We want to free ourselves from the unjust imputation that gentlemen on the other side have cast upon us that we are trying to foreclose the treaty. We are not, and if they will read the original bill that I introduced they will find that I did construe the treaty clear through it, but that it was stricken out all except this one sentence, and we thought this did not do it. Now we ask to strike that out.

When gentlemen say "we" and "our" they get their grammar confused. Congress and the Government may be "we" in the sense that the canal is ours, but if they confuse any little handful of men conducting the greatest and longest and loudest lobby ever seen on earth to get special privileges as "we," they are mistaken, for they do not represent 1 per cent of the American people. There are 90,000,000 American people who represent the Treasury, and if these people who want the special privileges divert from the Treasury, on an average, \$5,000 a month for a ship during the year, you divert from the Treasury for each ship \$60,000 that belong to your constituents, who are the American people, and give it to a lot of fellows who do not need it, do not care for it, do not care for the flag except when you give them special privileges, who can get along without it, and do not fight one another in the matter of competition. [Applause.]

Mr. SULZER. Mr. Chairman, I am an American, and I am in favor of American ships—flying the American flag—going through the American canal free of charge. Hence I shall vote for free tolls for all ships flying the flag of my country going through the Panama Canal.

I want to do something to aid the American merchant marine, and free tolls for our own ships will go far to accomplish what patriotic America hopes to see accomplished ere we adjourn.

We all realize that there is a sentiment, growing stronger and stronger every day, throughout the country in favor of doing something to rehabilitate our merchant marine. This is patriotic, eminently proper, and should be encouraged by every true American.

There is no man in this country more anxious and more willing to enact proper legislation to restore the American merchant marine than myself, but I want to do it honestly; I want to do it along constitutional lines; and I want to do it in harmony with that fundamental principle of equal rights to all and special privileges to none.

It is a fact—a most deplorable fact—and every man who has investigated the subject knows it, that we have less registered tonnage for deep-sea carrying trade to-day than we had 100 years ago. In 1812 the United States, with a population of less than 10,000,000 inhabitants, owned more registered tonnage for ocean carrying trade than the United States in 1912, with a population of over 90,000,000. The American deep-sea tonnage in 1812 was over 1,200,000, and it is now less than 800,000, and, what is worse still, it showed an actual decrease of more than 6,000 tons last year. In 1812 American ships, flying the American flag and manned by American sailors, carried over 90 per cent of our deep-sea trade and a great part of that of all the countries of Europe. To-day we carry very little of our own trade and practically none of other countries, notwithstanding the fact that we should be the foremost maritime power in the world.

It is a sad commentary on our growth and greatness that more than nine-tenths of our once great and powerful deep-sea fleet has vanished, and not one new keel for an ocean-going merchant ship is being laid to-day on either our Atlantic or Pacific coast, while the vessels of foreign nations throng our ports and monopolize more than nine-tenths of all our import and export commerce.

In 1812 over 92 per cent of our export and import trade was carried in American bottoms; in 1912 less than 8 per cent of our imports and exports were carried in American ships. The United States pays to the owners of foreign deep-sea vessels for conveying our freight and passengers over \$300,000,000 a year, and much of this vast sum of money goes to the owners of foreign steamers which are regularly enrolled on the merchant-cruiser lists of European Governments, manned by naval-reserve officers and sailors, and available for immediate service against us in case of war. The British Empire has 16,800,000 tons of merchant shipping; Germany has 8,960,000 tons; France, 8,680,000; Norway, 1,960,000; and Italy, 1,580,000. The larger part of all these great deep-sea fleets is engaged in the ocean

carrying trade, but the Government of the United States, which produces and exports more merchandise than any other nation on earth, has a fleet registry of deep-sea vessels of less than 800,000 tons. These comparisons challenge our intelligence and constitute an indictment against our boasted patriotism.

Mr. Chairman, I am opposed to the position in this matter taken by the gentleman from Georgia [Mr. ADAMSON]. He is opposed to free tolls for our ships. I am in favor of free tolls to help our merchant marine. I always have been, and I always will be, in favor of aiding the American merchant marine. Ever since I have been a Member of Congress I have endeavored to do something for our shipbuilding industries and to restore our deep-sea commerce. I have a bill pending in Congress for preferential duties in favor of American ships, and if that bill could be passed in 10 years we would again see the flag of our country on every sea, and ere long we would have as fine a merchant marine as any country in the world. The bill is a short one. I will read it. It is H. R. 14102 and reads as follows:

A bill (H. R. 14102) to encourage the American merchant marine and American commerce, and for other purposes.

*Be it enacted, etc.,* That a reduction of 5 per cent ad valorem of the customs duties now or hereafter imposed by law shall be allowed on all goods, wares, or merchandise imported into the United States in vessels of the United States; and in cases where no customs duties are imposed by law on goods, wares, and merchandise imported into the United States there shall be levied, collected, and paid a duty of 2 per cent ad valorem if such goods, wares, or merchandise are imported in vessels not of the United States. The said reduction of 5 per cent in duty herein provided for shall not apply to goods, wares, and merchandise not of the growth, production, or manufacture of countries contiguous to or bordering upon the territory of the United States, when imported into the United States by land transportation or land vehicles or conveyances through or from ports or other places of countries bordering upon the United States, if the same shall have been brought to such ports in vessels not of the United States; in cases where no customs duties are imposed by law on such goods, wares, and merchandise so imported, a duty of 2 per cent ad valorem shall be levied, collected, and paid. Said reduction of 5 per cent in duty shall not apply in cases where goods, wares, or merchandise are transhipped or transferred from a foreign vessel, port, or place to a vessel of the United States for the purpose of evading the provisions of this act, and in such cases no exemption from duty shall be granted.

SEC. 2. That the master, agent, or owner of any registered vessel of the United States shall be exempt from the tax of \$4 for every alien entering the United States on such vessel prescribed by section 1 of the act of February 20, 1907, entitled "An act to regulate the immigration of aliens into the United States."

SEC. 3. That the President shall have power, and it shall be his duty, to give notice, within 10 days after the passage of this act, to all foreign countries with which commercial agreements have been entered into making any provision or provisions which are in conflict with sections 1 or 2 of this act of the intention of the United States to terminate such agreement at a time specified in said notice, which time shall in no case be longer than the period of time specified in such agreements, respectively, for notice for their termination: *Provided*, That until the expiration of the period when the notice of intention to terminate hereinafter provided for shall have become effective, or until such date prior thereto as the high contracting parties may by mutual consent select, the terms of said commercial agreement shall remain in force.

SEC. 4. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed, and that, except as provided in the first and second sections hereof, this act shall take effect and be in force from and after its passage.

Mr. Chairman, that bill speaks for itself, and needs no apology from any patriotic American citizen. It has been indorsed by the leading commercial organizations of our country. If there is anything the American people are anxious to do, it is to put the flag—the flag of the United States—again upon the high seas. There are several ways to do it. One way is by free ships; another way is by ship subsidies; a third way is by preferential duties; and a fourth way is by free tolls through our own canal. I am against ship subsidies. I have fought ship subsidies ever since I have been a Member of Congress, and I will keep up the fight to the end. I will vote now for free ships through our canal. Here is one way to do something now for the American merchant marine. Let us do it while we have the opportunity.

For years, in Congress and out of Congress, I have been advocating honest and intelligent legislation to restore our merchant marine, and for years the men in control of Congress have turned to my appeals a deaf ear. The Congress of the United States is responsible for the present deplorable condition of our merchant marine, and every intelligent student of the subject is aware of the fact.

Preferential duties in favor of American-built ships and against ships flying the flag of a foreign country was the policy so successfully in operation in this country up to 1823, when, to please foreign interests, the law was suspended, and from that day to this our prestige on the high seas has been declining until it is less to-day than it was a century ago.

Many true friends of our merchant marine believe that if this policy of the fathers was restored it would immediately revive our overseas carrying trade and in a very few years build up our ship industries so that we would again secure our share of the ocean commerce of the world and save millions and millions



of dollars that we pay annually to foreign shipowners. In reading the report of the Merchant Marine Commission I observe that several of the largest shipbuilders testified that they formerly believed in subsidies but had changed their opinions and now favored my plan for preferential duties.

There seems to be but one objection, so far as I can learn, to a return to this policy of the fathers, and this objection comes from the advocates of ship subsidies, who declare that we have commercial treaties with foreign Governments containing the favored-nation clause, and in order to inaugurate the policy of preferential duties it will be necessary to change our commercial treaties, and this can not be done without giving these favored nations one year's notice.

This objection, however, is more apparent than real, for there is no doubt the change could be made if this Government wanted to make it, and a year's notice to bring it about would cause no great delay, especially when we consider that nothing has been done for our deep-sea shipping in more than a quarter of a century.

Mr. HAMLIN. Will the gentleman yield?

Mr. SULZER. I can not yield. I have only a few moments. Here is a way, I say, to do something now for the American merchant marine. We can give the ships of the United States the preference. We can allow our own ships, built by American workmen in American shipyards, and flying the American flag, to go through our own canal free of tolls. [Applause.] I am in favor of that.

In this connection I must take exception to the remarks of the gentleman from Minnesota [Mr. STEVENS] regarding the construction of the Hay-Pauncefote treaty. There is nothing in that treaty that can be construed in opposition to my plan for free tolls for American ships. I stand here as chairman of the Committee on Foreign Affairs of this House, having given careful study to that treaty, and to every circumstance connected with it, and I speak advisedly, and for our distinguished Secretary of State, when I say to this House that there is not a line in that treaty that precludes the Government of the United States from permitting our own ships going through the Panama Canal free of tolls. [Applause.]

If you want to bring about a situation such as the gentleman from Georgia [Mr. ADAMSON] has mentioned; if you want to get this matter some day into The Hague Tribunal; if you want to invite a foreign lawsuit, then pass this bill precluding the ships of the United States from going through our own canal free. That may foreclose our rights in the future. That may cast a doubt upon our construction of this treaty, and at some future time involve the Government of the United States in a controversy of international importance regarding our rights to grant preferences to our own ships using our own canal which the people of this country have paid for and have built. I am opposed to any legislation that will bring about such a contingency. To me the treaty is clear and plain. It does not admit of the construction urged by my friend from Minnesota. I am opposed now to bringing this Hay-Pauncefote treaty into the realm of dispute. I am opposed to inviting at some future time an international lawsuit. In my judgment the only way that we can prevent that is for the representatives of the American people to stand up here and vote in favor of American ships going through the canal free of tolls. [Applause.]

Mr. Chairman, I see my time is nearly up. Let me say, in conclusion, that the policy I propose to restore our merchant marine is not a makeshift. It is not new, having been the law of our country from 1792 to 1828, when it was suspended, and that suspension was one of the greatest political blunders in all our maritime history. It is not a temporary expedient. It is a permanent remedy. It has been tried and not found wanting. It is the easiest way to restore the American merchant marine. Adopted again as our policy and upon the statute books, it will never be repealed, but, on the contrary, speedily restore our ocean carrying trade, revive our shipbuilding industries, give employment in our shipyards to thousands and thousands of men in all parts of the country, bring about an era of prosperity such as we have never known before in our shipping trade and deep-sea commerce, place our flag on every sea and in every port, and make our seamen what they were in the historic days of the Republic—the pride of America and the masters of the ocean highways of the world. [Applause.]

Mr. CULLOP was recognized.

Mr. ADAMSON. Mr. Chairman, I move to close debate as soon as the gentleman from Indiana is through.

Mr. SULZER. Mr. Chairman, I would like to have five minutes more.

Mr. ADAMSON. I move that as soon as the gentleman from Indiana replies to the gentleman from New York debate be closed on this amendment.

Mr. SULZER. I ask unanimous consent for five minutes more, and I want to know who is going to object to it.

Mr. ADAMSON. I am. I have objected to everybody having more than five minutes, and I objected to my colleague this morning. I stated this morning that I was going to object to everybody having more than five minutes. I do not care if my own grandmother made the request, I would object. [Laughter.]

Mr. GOLDFOGLE. Mr. Chairman, I rose at the time the gentleman from New York closed. I am a member of the committee and entitled to recognition under the rule.

Mr. ADAMSON. Mr. Chairman, I move to close debate in five minutes on my amendment and all amendments thereto.

The CHAIRMAN. If the gentleman in charge of the bill will permit the Chair, he will say that he has practically agreed to recognize three Members who want to speak on this matter—the gentleman from Indiana [Mr. CULLOP], the gentleman from New York [Mr. GOLDFOGLE], and the gentleman from California [Mr. KAHN].

Mr. FOSTER. Has not the gentleman from Georgia the right of recognition to move to close debate?

The CHAIRMAN. Yes.

Mr. ADAMSON. Mr. Chairman, under the rules the gentleman from New York had a right to make his motion, and the gentleman from Indiana [Mr. CULLOP] had a right to reply thereto. I move that all debate close on my amendment and all amendments thereto in five minutes, after the gentleman from Indiana has concluded his remarks. Other gentlemen then can make other motions and get recognition in that way.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia that all debate on the pending amendment and all amendments thereto close in five minutes.

Mr. MONDELL. Mr. Chairman, I move to amend the motion by making it 15 minutes.

The CHAIRMAN. The question is on the amendment of the gentleman from Wyoming, to amend the motion by making it 15 minutes.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the motion of the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. GOLDFOGLE) there were—ayes 88, noes 8.

So the motion was agreed to.

Mr. CULLOP. Mr. Chairman, it seems to me that if members of the committee would read the provisions of the treaty under which this question arises, there would be no trouble in its settlement. The gentleman from Pennsylvania read only a part of it and stopped at the most important place in it, and I shall read it all.

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect to the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

This provision is plain, says what it means, and means what it says.

To give to the vessels engaged in the coast-to-coast trade free toll will discriminate against the citizens of this country who run vessels in other trades, and who are as much entitled to the consideration of Congress and to the gratuities and subventions of it as anyone else, as the people who are engaged in the coast-to-coast trade. Why should there be granted to the few who are engaged in the coast-to-coast trade a right that is not granted to the American citizen who carries American products and commodities through that canal, that go into foreign markets? And yet if this provision is adopted, we are adopting a provision that discriminates against our own citizens in favor of those engaged in one class of trade who shall use the canal and against those engaged in another class who shall use it.

Mr. SULZER. But my amendment will let all American ships go through the canal free.

Mr. CULLOP. Yes; and the gentleman's amendment has no place under this treaty, because it is clear violation of the same. If we desire to invite trouble at the beginning of the opening of this canal, adopt the gentleman's amendment or any one of these provisions proposing free tolls under this treaty, and we will get it. It is a question of no dual construction. It clearly prohibits such proposed legislation as is now offered by this amendment. I ask any gentleman who advocates free tolls, Shall the people of this country who pay \$400,000,000 to build this canal not derive any revenue but as a special privilege; shall they hand over the earnings to the owners of the few vessels engaged in the coast-to-coast trade? What answer can he give the people of this country for such a course?

Upon what hypothesis of right, of equality, of justice can you predicate such legislation as that? And yet that is what is proposed by each one of these amendments offered to grant



free tolls. Every ship-subsidy man in the United States has preached for the American flag to float on the ocean. That is a specious plea under which he parades. He wants to see it on the ocean, but he wants to see the people of this country taxed to put it there in order that a few shipowners may profit by private enterprise at public expense. [Applause.] That is just what the amendment of the gentleman from New York [Mr. SULZER] means. It is a ship-subsidy scheme, clothed under a new name, in a different garment, a new garb. That is how every one of the advocates of special privilege wants to fly the American flag on the ocean. If you are to carry the coast-to-coast trade free through the canal, who is to pay the interest on the bonds by which the money was raised to build this canal? If this question is left as the committee has proposed it in the bill, it is subject to legislation hereafter, but adopt either the provision of the gentleman from New York or the provision of the gentleman from California and trouble is invited before a single vessel will sail through the Panama Canal, and trouble is brought on at once between this Government and other Governments, between one citizen and another citizen in this Republic. Can we afford to do this? Shall we do it and jeopardize the success of this the greatest of all enterprises the world has ever known?

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit an interruption?

Mr. CULLOP. I have not the time.

Mr. SULZER. The officials of the Government who know most about it say just to the contrary.

Mr. CULLOP. No; the gentleman says that, and every ship-subsidy advocate in the country says that. This is their claim and it should be exposed so that every citizen of this Republic may know the facts. Let us treat in this great matter all the people fairly.

The CHAIRMAN. The time of the gentleman from Indiana has expired. The question is on the amendment offered by the gentleman from Georgia—the committee amendment.

The question was taken; and on a division (demanded by Mr. MANN and by Mr. KAHN) there were—ayes 83, noes 43. So the amendment was agreed to.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Certain amendments were offered to this section when the bill was under consideration before. Are not those amendments now to be taken up and disposed of?

The CHAIRMAN. The judgment of the Chair is that those amendments ought to be taken up and disposed of at this time.

Mr. ADAMSON. Mr. Chairman, if the Chair will pardon me, if he will refer to the RECORD he will find that permission was given only to gentlemen to file amendments if they desired. There was nothing compulsory about it. There was nothing about fixing the order of consideration.

The CHAIRMAN. That is true.

Mr. ADAMSON. They were simply permitted to file them and have them printed and have them considered as pending. It does not violate the usual rule of procedure at all. We are still entitled to have the committee amendments and the members of the committee recognized first. We are still entitled to adopt the usual course of first perfecting the text before taking up substitutes.

Mr. MANN. That is very true, but when amendments are pending to perfect the text they must be disposed of before other amendments are offered. There are several amendments now pending to perfect the text.

The CHAIRMAN. The judgment of the Chair is that the best thing to be done at this juncture is to recognize the gentleman from New York [Mr. GOLDFOGLE] to offer his amendment which he presented a few days ago.

Mr. MANN. Under the order heretofore adopted that amendment is now pending.

Mr. GOLDFOGLE. Mr. Chairman, I now offer the amendment which I offered a few days ago, and which I asked the Clerk to report.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from New York.

The Clerk read as follows:

Amend, section 5, on page 5, by inserting between the word "Panama" and the word "which," on line 9, the words "and also coast-wise vessels registered under the American flag, plying only and exclusively between ports in the United States."

Mr. ADAMSON. Mr. Chairman, I offer the following amendment to that amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

On page 4 of amendments to section 5, H. R. 21969, offered and printed May 18, 1912, add at the end of the amendment proposed by Mr. GOLDFOGLE the following:

"Provided, That before passing through the Panama Canal without paying tolls the owner or master of any such vessel shall agree with

the governor of the Panama Canal as to the cash value of such vessel, and the tolls which would have been due on said vessel if not remitted under this section shall be charged up against such vessel on each passage, and when by successive free passages through the Panama Canal the remitted tolls so charged up shall equal the agreed value of the vessel, such vessel shall immediately become the property of the United States and shall be taken possession of by the authority of the President, and either assigned to one of the departments of the Government or sold and the proceeds covered into the United States Treasury: *Provided further*, That the owner or master of such vessel shall keep it insured for the benefit of the owners or the United States, or both, as their interests may appear, so that in case of loss of such vessel the remitted tolls so charged up shall be paid therefrom."

Mr. ADAMSON. Mr. Chairman—

Mr. GOLDFOGLE. Mr. Chairman, am I recognized?

Mr. ADAMSON. I do not care anything about the order of debate.

Mr. GOLDFOGLE. I have no objection to yielding to the gentleman if the Chair will recognize me after the gentleman from Georgia takes his seat.

The CHAIRMAN. The Chair recognizes the gentleman from New York now.

[Mr. GOLDFOGLE addressed the committee. See Appendix.]

Mr. ADAMSON. Mr. Chairman, I want to discuss this subject for a moment, not from the standpoint of sentiment and loud-sounding claims and meaningless claims, except that they mean something about patriotism and the flag. I assume that a great many of the gentlemen who want preferential tolls for American tolls are honest and sincere about it, and when they say the main object is to furnish a naval auxiliary that they are honest about it. I assume they do not want to rob the Treasury by diverting the tolls and hampering the greatest enterprise that ever was on earth and choke it to its knees and starve it for three or four years by giving preferential tolls to a private interest. I assume they are all honest in their profession, and therefore I offer them an opportunity to give a quid pro quo for a free passage through the canal. Every other proposition that I have ever seen offers the Government an opportunity to buy ships at a high price fixed by a fixed board of arbitration; after 50 years of peace they rot down so the old hulks amount to nothing. Now, under this amendment, if they accept in tolls the amount agreed upon for the price of the ship, then they are free of tolls until they have used up the value of the ship in free tolls, and it makes it then the property of the Government of the United States, and it would look like some fairness and some quid pro quo. If they do not agree to that they plainly state to the people of the United States—I do not mean those Members of Congress, but I mean the little Ship Trust and the little coterie of capitalists who control both the railroads and ships, playing their money into one or the other, as the profit may seem to invite, and playing the Treasury and the people all the time. Here is 1 per cent of our population engaged in shipping, and with the same amount of money in ships of flags of other countries, they would be as patriotic and "holler" as loud for other flags under which they were making money. They come and try to divert from the Public Treasury money that ought to go into it as tolls, which ought to go toward the operation and maintenance of the canal, which has shortened the distance 10,000 miles—

Mr. MADDEN. Will the gentleman yield?

Mr. ADAMSON. I have but five minutes and no one else can have but five minutes. No; if these gentlemen are fair, if they mean to be patriotic, if they mean to be honest while they are choking down this great enterprise and hampering it with their selfish claims, let them say we will agree to give you the ship as soon as the free tolls pay for it and then they will have credit for honest profession, then we will have ships as auxiliary to the Navy for the use of our Government. If they will not do that, they stand before us as beneficiaries confessed as making a bold demand for a bonus out of the Treasury as one can contemplate, because they think they can easily throttle the Government and this great enterprise and hold it up until we grant the demand, and they say you can easily give it to us, because folks are not looking and it does not look like you are actually taking money out of the Treasury and giving it to us. I desire to extend my remarks in the RECORD, Mr. Chairman, by inserting a statement of Messrs. Baker & Co., of Baltimore, to show us how rich the shipowners are to become, richer than Monte Cristo, rich beyond the dream of avarice, and calling upon us to take advantage of free tolls and organize a ship company through the canal. [Applause.]

The matter referred to is as follows:

PROSPECTUS OF THE ATLANTIC & PACIFIC TRANSPORT CO.—CAPITAL STOCK AUTHORIZED \$15,000,000.

The Panama Canal will be opened to the commerce of the world in 1913.

The Atlantic & Pacific Transport Co. proposes to establish a line of steamers from New York, stopping at Charleston or Savannah or both, also from New Orleans through the Panama Canal to San Diego, San



Pedro (Los Angeles), San Francisco, Astoria (Portland), and Seattle, and return.

The business opportunity for the development of enormous traffic is exceptional. The plan of organization of the company guarantees that every man's dollar will receive its full interest in the property.

#### RAIL TRANSIT COSTLY.

The rates which the railroads are obliged to charge on these various shipments range from \$16.80 a ton on wine (75 cents per 100 pounds) to \$33.60 a ton on hops (\$1.50 per 100 pounds) east bound; and from \$11 a ton on steel rails to \$67.30 a ton on clothing and dry goods (not otherwise specified) west bound. All rates are from any Pacific coast point to any point east of the Mississippi River or east of Buffalo and vice versa. On citrus fruits or deciduous fruits the rate is \$1.15 per 100 pounds, which is equal to \$25.76 a ton weight. [Note: The railroad ton is 2,000 pounds and the steamship ton is 2,240 pounds.]

#### MILLIONS SAVED.

In the case of citrus and deciduous fruits alone the saving in expense owing to the difference in cost between all rail and all sea transportation through the Panama Canal will amount annually to between \$15,000,000 and \$20,000,000, according to the size of the crop. Experience in handling this class of traffic in the north trans-Atlantic ocean trades for over 25 years on the part of some of the incorporators of the Atlantic & Pacific Transport Co. has been such as to justify the statement that this traffic can be carried from Los Angeles to New York through the canal by a modern steamer of 16 knots speed, with refrigeration, at not over \$7 a ton if no canal dues are charged, and net a handsome profit for the steamer. Similar savings, ranging from 50 to 75 per cent of the present rates charged all rail, will be possible in the case of the other commodities mentioned with the Panama Canal opened to commerce.

#### TIME OF TRANSIT.

The average time in which freight is now transported by rail from coast to coast is from 18 to 21 days. Sixteen-knot steamers through the Panama Canal can transport the same freight, allowing for stops at intermediate ports, in 16 days.

The object of comparison is not to disparage the present means of transportation, but to show that the cutting of the Isthmus of Panama by the United States Government will make these savings possible for the first time in the history of the world and to show the enormous traffic which by reason of the efficiency and cheapness of the service will inevitably avail itself of this route at paying rates.

#### AMPLE BUSINESS FOR ALL.

The inauguration of water competition between the Atlantic and Pacific coasts will ultimately be more of a benefit than an embarrassment to the transcontinental railroads. It will, of course, stimulate commerce between the seaboard cities at rates that the railroads will be unable to meet, but that very activity will force its way into the interior which the railroads alone can serve.

The lower rates prevailing at the seaboard cities by this route will insure lower prices at the interior cities. The railroads must transport this freight to the interior, and will therefore reap a compensating benefit for any loss of transcontinental traffic.

We have but to point to the evolution of our shipping on the Great Lakes to show that it was the very business that the Lake steamers took from the railroads that created the towns and cities on the Lake shores, which in turn brought the railroads more business than they lost. History will repeat itself in the conditions bound to arise after the opening of the Panama Canal.

It need only be added that the navigation laws of the United States prohibit foreign steamers from engaging in commerce between the ports of the United States, so that the present enterprise is secure against competition from foreign steamers. The recognized necessity for maintaining the control of the means of transportation between ports of this country insures the permanence of these laws and regulations.

#### (B) COASTWISE.

The steamers of the Atlantic and Pacific Transport Co. will be American in construction and ownership and will not only engage in trade between the Atlantic and Pacific ports of the United States, but will also stop en route at intermediate ports transporting passengers and freight to and from upon both the Atlantic and Pacific seaboard. The company will engage in this business to the extent possible without interference with the movement of the transcontinental traffic, as the revenue therefrom can be developed to considerable proportions.

#### ANNUAL PROFIT OVER \$2,500,000.

The officers of the corporation expect that the company will earn and pay not less than 10 per cent dividends a year, besides setting aside a conservative sum to cover depreciation.

Conservatively estimated, the profits on 1,000,000 tons of freight a year, added to the revenue of the mail contracts, now advertised for by the Postmaster General, will result in an annual profit of at least \$2,500,000, leaving \$1,000,000 a year, after the payment of a 10 per cent dividend, to apply to depreciation and insurance. This estimate does not take into account the profits from the passenger business and from other sources that will be developed by the company.

The relative cheapness of steamship transportation as compared with railroad transportation will furnish ample margin to secure this profit and still greatly reduce the rate from the present standard, giving the people the benefit of the reduction.

The operations of the company will begin with the opening of the canal in 1913, and the directors believe the line will begin to earn profits at once and will pay dividends within one year thereafter.

Mr. KAHN. Mr. Chairman, I have listened attentively to the debate, and I have heard a great deal said about the provisions of the Hay-Pauncefote treaty and their effect upon this legislation. I believe our country has been looked upon by the rest of the world as a Nation of altruists. Since our entrance into the family of nations we have been doing things unselfishly for the benefit of mankind. As early as 1815 Commodore Stephen Decatur destroyed the power of the Barbary pirates, in Algeria, Tunis, and Tripoli, and the countries of Europe thanked us for the good work. Later on, on December 2, 1823, President Monroe announced his famous doctrine that we would look upon the aggression of any European power on American territory as an unfriendly act. The world has tacitly accepted

that doctrine. In 1898 we went into Cuba in the great cause of humanity, and gave liberty to the oppressed people of that island. A year or two ago, in the cause of human justice, we returned our indemnity to China. To-day we are helping the Republic of Santo Domingo in solving its financial difficulties. But despite these evidences of altruism, there is not a single nation in the world that believes we are crazy enough to spend \$400,000,000 in constructing this canal without giving an advantage in the matter of coastwise shipping to our own citizens. [Applause.] And the time to settle the question as to our rights in the premises is now, on this bill, the first bill that attempts to regulate the commerce of that canal. If there be any question about our rights under the treaty, let us settle it now. It will undoubtedly be determined in our favor. If we wait 10 years, as has been suggested by the chairman of the committee, the gentleman from Georgia [Mr. ADAMSON], I apprehend other countries will certainly raise the question of our rights under the treaty.

"Your own Congress refused to legislate in your favor for fear that you did not have any rights under the treaty," will be said by the chancelleries of the civilized world.

And the matter will then probably go to The Hague tribunal for adjudication. And we will be bound by the decision, even though it should deny our contention. But if we pass this legislation now—if we tell the world that we intend to stand on our rights, in my judgment there is not a country in the world that will deny our rights. [Applause.] I hope, Mr. Chairman, that the amendment offered by the gentleman from New York [Mr. GOLDFOGLE] or the substitute offered by the gentleman from Michigan [Mr. DOREMUS] will pass. Let us settle this question now. Let us settle it right. It was our money that built the canal. It is our undoubted right to give a preference to American ships that have occasion to use the Panama Canal in the coastwise trade between Atlantic and Pacific seaboard.

Mr. Chairman, this proposition of free tolls to American ships in the coastwise trade means much to the American merchant marine. I believe that free tolls will encourage the building of American ships for this trade. The building of American ships means auxiliary cruisers and colliers for our Navy in time of war. It was the historic cruise of the battleship *Oregon* all the way around South America to Santiago de Cuba, during the Spanish-American War, that helped materially to bring about the legislation for the construction of the Panama Canal. It is only a few years since our battleship fleet, in its cruise around the world, gave a practical demonstration of the weakness of our merchant marine to all the nations of the earth. For it was a fleet of foreign merchant vessels, carrying foreign flags, that acted as colliers for our battleship fleet. In case of war we could not procure the services of similar colliers. We clearly need American ships. Let us by our votes to-day do something for the upbuilding of an American merchant marine. Let us not neglect this opportunity. And I feel confident the great majority of our countrymen will approve and applaud our course.

Mr. HAMLIN rose.

The CHAIRMAN. The gentleman from Missouri [Mr. HAMLIN] is recognized in opposition to the amendment.

Mr. HAMLIN. Mr. Chairman, it seems the committee ought to meet this proposition just in the position that it presents itself to the House. It seems to me this question of free tolls is the very worst kind of ship subsidy. I am surprised that gentlemen upon this side of the House would say that they are opposed to ship subsidy in any form, and yet, after we have already given the coastwise trade an absolute monopoly on the carrying of traffic from coast to coast, they come to us and ask us to give them free tolls through the canal. That is the worst form of subsidy possible.

Gentlemen, if you will just be reminded of this one fact, the tolls that the committee seeks to fix down there are fixed on the basis of the actual cost to the Government of putting these ships through the canal. Now, somebody will be compelled to pay that cost. Are you going to levy that cost upon all the taxpayers of this country—every man, woman, and child throughout the entire Nation—rather than to place it upon the ships that are already protected by the existing law, giving them an absolute monopoly in this coastwise trade? I do not believe that this committee wants to do anything of the kind, but if there are those here who feel that the coastwise trade ought to have free tolls, then how can you object to the amendment of the gentleman from Georgia [Mr. ADAMSON] to the amendment of the gentleman from New York [Mr. GOLDFOGLE]. If after these private ship companies have enjoyed the privilege of free tolls, have passed through the canal often enough that the tolls amount to the value of the ship already agreed upon between themselves and the Governor of the Canal Zone, that then the ships, having been paid for by the United States



Government in the remission of tolls, shall then belong to the Government and be assigned to the Navy, or to any other purpose for which the United States Government may desire to use them.

Gentlemen, do not mistake this fact. When you vote to exempt these ships, you are voting a subsidy into the hands of the special interests of this country. No man can deceive himself upon that proposition; and in the time I have been here—not attributing to any Member upon this floor any mala fides—it seems to me that the time has never yet presented itself since I have been a Member when some one has not arisen upon this floor and advocated something that is to the benefit of some of the special interests in this country. You can not call a rose by any other name and make it smell differently. You give to the coastwise trade of this country free tolls, you take the money out of the Treasury of the United States contributed by all the people of all this country, and you place it into the treasury of the special interests, and you can not get away from that proposition. The canal must have the toll to pay the actual expense of putting these ships through the canal. Every ship put through there, in the judgment of those in a position best to know, will cost approximately \$1 per net ton. As the chairman of the committee in charge of this bill so well said to-day, ships can not be put through under the officers of the ship, but must be taken charge of by officers or representatives of this Government when they approach the canal. Upon each lock will be placed four electric engines to guarantee the safety of the ship as it goes through. There are innumerable expenses that attach to the passage of these ships through that canal, and it is estimated that that cost to the Government will be in the neighborhood of \$1 per net registered ton. Somebody will have to pay that. Who will it be? The shipowner or the people of this country?

Mr. DICKINSON. May I ask the gentleman a question?

Mr. HAMLIN. Yes; if you will make it short. I have not much time.

Mr. DICKINSON. How do you reach the conclusion of the estimate of \$1 a ton? Do you include the interest on the \$400,000,000?

Mr. HAMLIN. Oh, no; only for the operation and maintenance of the canal. The estimate we reach is by statements made to us by men who have studied the question, and who know approximately what the cost is going to be in putting these ships through the canal. We are not seeking to make a profit down there in the sense of a private enterprise, but your committee does not believe that the Government ought to operate and maintain that canal at a loss to the people. Then, these tolls are reached on the basis of actual cost of operation and maintenance. The question up to this House is this, divorced of everything else, How are you going to pay that expense out of the Treasury of the United States? Are you in favor of ship subsidy or opposed to it?

Mr. BORLAND. Mr. Chairman—

Mr. HAMLIN. I can not yield now; my time is too limited. I am sorry, but I can not control the time. If you give these ships free tolls, the cost of putting them through the canal must be contributed by everybody, in order to place that money into the treasury of these privately owned ship companies, who have already been given a monopoly by the Government of the United States in the coastwise trade. Or are you going to make these ship companies pay their toll along with the other ships?

Mr. MANN. Mr. Chairman, I make the point of order that all debate on this question is exhausted.

The CHAIRMAN. The point of order is sustained.

The question is on the amendment of the gentleman from Georgia [Mr. ADAMSON] to the amendment of the gentleman from New York [Mr. GOLDFOGLE].

Mr. MARTIN of Colorado. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Colorado. Was the debate held by unanimous consent?

Mr. MANN. There are plenty more amendments.

Mr. MARTIN of Colorado. This amendment may determine the merits of this controversy on this point.

The CHAIRMAN. The question is on the amendment of the gentleman from Georgia [Mr. ADAMSON] to the amendment offered by the gentleman from New York [Mr. GOLDFOGLE].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. MANN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 52, noes 63.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from New York [Mr. GOLDFOGLE].

Mr. SIMS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from New York.

The CHAIRMAN. The Clerk will read the amendment offered by the gentleman from Tennessee [Mr. SIMS] to the amendment of the gentleman from New York [Mr. GOLDFOGLE].

Mr. KAHN. Mr. Chairman, in the meantime I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from California [Mr. KAHN] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the amendment offered by the gentleman from Tennessee [Mr. SIMS].

The Clerk read as follows:

Amend the Goldfogle amendment by adding "and that section 4347 of the Revised Statutes as amended by the act of February 17, 1898, shall not apply to foreign vessels engaged in the transportation of merchandise and passengers between ports of the United States on the Atlantic or on the Pacific through the Panama Canal."

Mr. SIMS. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Tennessee want recognition?

Mr. SIMS. Yes; to discuss my amendment.

The CHAIRMAN. For 20 minutes?

Mr. SIMS. Yes, sir.

The CHAIRMAN. The gentleman from Tennessee is recognized for 20 minutes.

Mr. SIMS. Mr. Chairman, I offer this amendment in good faith. It is not offered with the intention of loading down the bill, and if my amendment to the amendment offered by the gentleman from New York is voted down I am going to offer my amendment to the text of the bill, and if it is voted down there I am going to offer it to the Doremus substitute; and I am going to offer it in every way that is within parliamentary practice to offer it, and endeavor to have a vote on it in every way I can.

Mr. GOLDFOGLE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from New York?

Mr. SIMS. I do.

Mr. GOLDFOGLE. Does the gentleman understand that my amendment does not touch foreign ships at all?

Mr. SIMS. I understand; but I am going to make it touch if my amendment becomes a law.

Mr. Chairman, I want to make the committee understand what this amendment is stripped of its verbiage. The amendment is drawn so as not to repeal the coastwise navigation laws in any respect whatever in all trade in which it now applies. It applies only to freight going through the canal, moved in foreign bottoms, from a port on the Pacific or on the Atlantic through the canal to a port beyond the canal. In other words, it is making the ports of the Pacific foreign as to the ports of the Atlantic and the ports of the Atlantic foreign as to the ports of the Pacific to vessels using the canal.

Mr. Chairman, it is only 2,800 miles, I believe, from New York to Liverpool. We have no flag flying over an American vessel going to Liverpool. All our traffic, all our transocean freight, is carried by foreign vessels under foreign flags. Every passenger that goes abroad goes under a foreign flag. Yet when we are going to carry freight or passengers from a port on the coast of Maine to Seattle, on the coast of the State of Washington, through the canal, that is tax built, in a foreign country, a distance of 6,000 or 7,000 miles, you say no foreign vessel shall have an opportunity to do that service.

The coastwise navigation laws constitute a monopoly to American ships; an absolute monopoly. There is, in fact, no competition to-day from port to port on the Atlantic coast. Let me read to you for a minute from the hearings:

Here is a gentleman who came before our committee when we had this bill under consideration with reference to the fixing of tolls. I want to read to you who he is and his position. I read:

Statement of Mr. H. H. Raymond, vice president and general manager of Clyde Steamship Co. and Mallory Steamship Co.

That is on page 534 of the hearings. He starts out by telling you what he is—vice president and general manager of these two coastwise companies. Now, that of itself, if read no further, shows that there is absolutely no competition between those two companies, although they are both in the coastwise trade, and they have a perfect monopoly as against any foreign vessel.

Now, then, they have had this monopoly for no one knows how many years, perhaps exceeding the life of any man here. Have they built up an American merchant marine on the Atlantic coast, where this monopoly exists? It should be borne in mind that our coastwise laws extend around Cape Horn to



the Philippine Islands, to Porto Rico, and Hawaii. Who is getting the benefit of this monopoly?

A shipbuilder from New England came before the committee and wanted free tolls, and I will tell you why he wanted them. He said he wanted them because they would encourage the building of American ships large enough to use the Panama Canal when it was completed. He said that the present coastwise navigation of this country was done in ships too small, with few exceptions, to be operated in the canal, and wanted free tolls in order to induce the building of ships large enough to operate through the canal.

Now, gentlemen come here from California and Washington, from the Pacific coast, and say they have been railroad ridden and railroad oppressed. I do not question the sincerity of their statements, for I do not know the facts myself. They say they want free tolls in order to increase the competition as against the transcontinental railroads. The gentleman from Washington [Mr. HUMPHREY] made an able and exhaustive speech. He showed that the amount of freight that will be carried through the Panama Canal from the Pacific coast will be very small in comparison with the transcontinental freight carried by the transcontinental railroads from the same coast, and the gentleman from Washington said that this \$1 a ton, or whatever it might be, would not only be added to the charge for transportation through the canal, but would be added to all the transcontinental freight going across the country, and would be put into the pockets of the railroads.

How a Republican could make such a speech as that and then vote for a protective tariff I do not understand. Still a Pacific coast gentleman can do a great many things. It looks like he could not get to Congress from that country without being a Republican, and that he could not be an honest man on this question without being a Democrat. [Laughter.]

Now, I am proposing by this amendment to help the Pacific coast people that they will be absolutely benefited by it and at the same time to increase the receipts of tolls through the canal. How do we increase competition? Only by increasing the opportunity for competitors to use the canal. We need not be afraid of the railroads if we adopt my amendment.

Mr. MADDEN. What does the gentleman's amendment do?

Mr. SIMS. It relieves the foreign vessels going through the canal from coastwise restrictions.

Mr. MOORE of Pennsylvania. In other words, you repeal the navigation laws.

Mr. SIMS. It relieves foreign vessels from them when going through the canal. It does not repeal the navigation laws, but it fails to extend them to this new waterway.

Mr. GOLDFOGLE. Will the gentleman from Tennessee yield?

Mr. SIMS. I will.

Mr. GOLDFOGLE. Does not the gentleman raise the question in the Hay-Pauncefote treaty?

Mr. SIMS. I am not making an argument in reference to the Hay-Pauncefote treaty. Now, if you people of the Pacific coast want real competition, why do not you invite the vessels of the world to go through this canal? Why not give the transcontinental railroads real competition? Then you can strike out all railroad provisions in this bill because the railroads will not be able to throttle the competition of all the world that will seek this trade.

How does any Democrat justify this monopoly in the coastwise trade who does not believe in protection, who does not believe in taking the money from those who have it and giving it to somebody else without return of equal value, for that is what protection is. It makes no difference whether you allow the vessels to go through toll free or whether you take the money out of the pockets of the taxpayer and pay the tolls back after it is paid by the ship. That is a mere dodge, as the effect is the same.

There is not, at this time, one particle of competition from port to port between any coastwise ship company and any other. They do not so much as make the same ports. The Mallory Line starts out from New York and does not land a passenger or a pound of freight at any port where another ship lands.

I do not see that it makes a bit of difference whether the lines are railroad owned or are not railroad owned, if my amendment is adopted, for those that are not railroad owned now do not compete with each other any more than those that are railroad owned.

Mr. KAHN. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. KAHN. Does the gentleman from Tennessee believe that if his amendment were adopted a single American ship would pass through the Panama Canal?

Mr. SIMS. Yes; I do; every one that is worthy of the name of the flag it bears.

Mr. KAHN. Does not the gentleman know that if his amendment were adopted there is not a single American ship that could compete with foreign ships in that trade?

Mr. SIMS. Why?

Mr. KAHN. Because it does not cost so much to run them. They have cheaper crews, cheaper construction, cheaper insurance; everything that applies to a ship is cheaper in the foreign country.

Mr. SIMS. And they will carry the freight cheaper, will they?

Mr. KAHN. No; I do not think they will.

Mr. SIMS. Whenever the gentleman tells me that foreign ships will enter the trade and drive every American ship out without reducing the freight charges he presents a problem that my dull head can not comprehend. Where is the gentleman's logic? [Laughter.]

Mr. JACKSON. Will the gentleman yield for a question?

Mr. SIMS. I will.

Mr. JACKSON. There seems to be a misunderstanding as to the effect of the gentleman's amendment. Would it permit foreign ships engaged in commerce on the Atlantic coast to pass through the canal to ports on the Pacific coast?

Mr. SIMS. That is exactly what it means.

Mr. JACKSON. Would foreign ships taking freight from New York to San Francisco be allowed to pass through without paying tolls?

Mr. SIMS. No; it would pay tolls, but would be permitted to pass through the canal and carry passengers or freight from one port to another if it passes through the canal in doing so.

Mr. JACKSON. It is to furnish competition in the coastwise trade?

Mr. SIMS. Yes; and it does not make any difference as to railroad-owned ships. Whenever people talk about the American flag in nine times out of ten what they really mean is the American dollar. The real purpose is to take out of the pockets of the people American dollars under the cry of patriotism and the American flag. If you want to do something to reduce freight rates, and that will really increase competition, give all the ships of all the world an opportunity to serve the people of the Atlantic and the people of the Pacific the same opportunity as the foreign ship has to serve them between Liverpool and the United States.

Let me ask you, my friends, what is the Pacific? It is a vast waste of water. Hawaii and Australia are the only countries in the Pacific. Australia belongs to England and English vessels and always will. Hawaii is a small affair, so to speak. And to-day we have an American company carrying freight from Hawaii to the Atlantic ports. Does it use the American Government-owned railroad? It does not. The American-Hawaiian line to-day uses a foreign railroad, under the Mexican flag, and gives one-third of all its receipts in order to use the Mexican flag rather than the Panama Railroad, which is operated under the American flag. It is true that the president of the road says that the facilities of the Panama Railroad are not sufficient. But let me tell you, when we build that canal at the expense of the American taxpayer, and should the Tehuantepec Railroad offer a rate that will enable the coastwise shipping companies to use it at 50 cents a ton cheaper than to go through our own canal for nothing, they will do it.

The dollar is what they are after. They never cry the American flag except when they are trying to hide a sinister motive behind it. Why not vote for free and absolutely untrammelled competition, that can never be throttled, by allowing all the tramp vessels of all the world and all the steamers of all the world, if they want to do so, to take freight from the Atlantic coast and deliver it from port to port on the Pacific coast and pay the tolls and thus help the people get back part of what they will lose on the canal, and at the same time have real competition which your transcontinental railroads can not and will not even attempt to throttle?

My friends, we have a big job on hand. If we absolutely wipe out and give away the \$400,000,000 and undertake to provide for actual current expenses in the maintenance and operation of the canal, and the maintenance of the military force there made necessary by reason of the canal being there, all the shipping that is in prospect for the next 25 years, coastwise and all other, will be absolutely necessary in order to pay current expenses accruing year in and year out; but our friends, our free-toll friends, say to us, "Pay our tolls for us, and at the same time give us a monopoly of all the coastwise business, although we have been unable so far in all the hundred years of our life to cause any competition between each other from port to port."

Mr. GOLDFOGLE. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Certainly.



Mr. GOLDFOGLE. Would not free tolls on coastwise trade mean the cheapening of transportation and result in the cheapening of goods to the consumer?

Mr. SIMS. Have the coastwise navigation laws given to the people of the Atlantic coast from port to port freight as cheap as it can be carried by water? Not a bit of it. Will they do better than they have done heretofore? Whenever you make the canal an open roadstead, free of charge or otherwise, it is just as easy for the same companies or any other to go into business and to have a gentleman's agreement, or act as though they had one, and vessels of one line leaving the port of New York would anchor simply at San Francisco and nowhere else, and others would anchor at Seattle and nowhere else, and companies on the Pacific would land their vessels at particular but separate ports on the Atlantic and nowhere else—with not a particle of competition. Let me say to you that the American coastwise lines will have an advantage even if you permit all the vessels in the world to compete with them. They have an established good will. They have a trade already built up. They have arrangements made with the railroads reaching the ports they put into to carry and distribute the freight, and the foreigner would have no such advantage.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ADAMSON. Mr. Chairman, I move to close debate in five minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia that debate on this amendment close in five minutes.

The question was taken, and the motion was agreed to.

Mr. HUMPHREY of Washington. Mr. Chairman, I can hardly believe that it is necessary to oppose the amendment advocated by the gentleman from Tennessee [Mr. SIMS] who has just spoken. His proposition is to admit foreign ships to the coastwise trade, something that no commercial nation on earth does to-day. Every nation reserves its coastwise trade for its own ships, not only from a commercial standpoint, but as a protection to the nation itself as a matter of common defense. This has been the policy of this Government from its foundation. If the result of the Panama Canal should be the admission of foreign ships to the coastwise trade, I would look upon it then as one of the greatest calamities that has ever befallen our country. I can not and do not believe that any considerable number of this House favor such a proposition. I am opposed to this amendment for another reason, because it would not give us competition as the gentleman from Tennessee [Mr. SIMS] has asserted. I call the attention of the committee to this fact: That it is a matter of common knowledge that every foreign ship to-day that is engaged in carrying our overseas trade belongs to some conference, ring, or combine. Between the ships in these combinations there is no competition. Rates are fixed by agreement. The rate that every passenger and that every ton of freight must pay to go from this country to Europe is fixed in advance by agreement made in Germany. Freight and passenger rates between here and South America are fixed by agreement. If once we admit the foreign ship to the coastwise trade, as soon as the American ship disappeared—and the American ship would disappear immediately—then these foreign ships would do exactly in this trade as they have done in the foreign trade—combine and raise freight rates to the highest point that the traffic would bear. Not only this, but these foreign steamship combines to-day have an understanding with our railroads, and if they controlled the commerce through the canal they would soon make a combination with our railroads so that instead of foreign ships being admitted to the coastwise trade, producing competition, they would absolutely destroy it. In other words, to admit foreign ships to the coastwise trade would destroy the very purpose, from a commercial standpoint, for which the canal has been constructed.

Mr. MARTIN of Colorado. Is the gentleman's time sufficient to permit an interruption there?

Mr. HUMPHREY of Washington. No; I regret it is not. We have had some experience with these combinations of foreign ships on the Pacific coast. A few years ago we had considerable sailing tonnage under the American flag on the Pacific. We were sending much of our freight from the Pacific ports to Europe by these sailing ships. As soon as the American ship had disappeared to an extent where it was safe for them to do so, the foreign ships immediately combined. This occurred about five years ago. As soon as this combination was perfected it raised freight rates over 400 per cent. It immediately increased the rate on a ton of wheat sent from Seattle to Liverpool from \$1.25 to \$5.60. This rate was afterwards increased to \$6.90 per ton, and no vessel in the combine was permitted to take freight for less than this

amount, and several ships last summer left Seattle in ballast rather than carry freight for less than \$6.90 per ton, although before the combine was formed they were willing to do it for \$1.25.

We have had some experience with foreign ships in carrying coal for the Government from the Atlantic to the Pacific coast. When foreign ships were first employed we had a few American ships. Then the foreign ship carried the coal for \$3.25 per ton. The American ship has disappeared and the foreign ships now charge \$6.25 per ton. These two illustrations clearly demonstrate what would occur if we were to admit foreign ships to the coastwise trade. Once our flag had disappeared and our shipyards were destroyed we would be compelled to pay these foreign ships a far higher rate than we now pay our own ships. On the contrary, after the Panama Canal is opened and a larger number of coastwise vessels engage in this trade, freight will be greatly reduced until we will carry our own commerce in our own ships as cheaply as it can be done in foreign ships. The history of American shipping on the Great Lakes demonstrates the truth of this conclusion. If the amendment proposed by the gentleman from Tennessee [Mr. SIMS] should be adopted there would not be a single shipyard left on the Pacific coast within 12 months. Its adoption would mean the complete disappearance of our flag from ships, not only upon the high seas, but also in our coastwise trade. It would mean that our shipyards would become desolate places, and that not only commercially would we be at the mercy of foreign nations, but we would be helpless in time of war. If for no other reason, we should preserve our coastwise trade exclusively for American vessels as a matter of common defense. If foreign ships are to be admitted to the coastwise trade, then it would be far better for the Pacific coast and for the entire country if the Panama Canal had never been constructed.

I want just briefly to reply to the gentleman from Georgia [Mr. ADAMSON], the distinguished chairman of the committee, and to other gentlemen who have been charging that those in favor of a free canal for coastwise ships desire to pay a subsidy to coastwise vessels. Such statements are entirely without any foundation in fact or reason. The other day I made the challenge to any gentleman who made such statements to name any witness who had appeared before the committee in behalf of coastwise vessels and asked for remission of tolls. I repeat it now. As I have before stated, it would make no difference to ships in the coastwise trade whether they paid tolls or not. If they paid the toll they would add it to the freight rates and the consumer and the producer would pay it. The gentlemen who have spoken about free tolls being a subsidy to ships in the coastwise trade have a great deal more confidence in those who would run those ships than have I. They seem to think that the owners of these ships would themselves pay the toll. I have no such belief. The ships that would pass through the Panama Canal are a monopoly—a monopoly created by the Government—and under such circumstances the owners of these ships, if they pay the toll, will see that it is passed on to the consumer. I wish, while I have the opportunity, to say just a word in regard to the charge that has been made by certain gentlemen on the floor of the House, that the Pacific coast is selfish in demanding a free canal for coastwise ships. This charge has especially been urged by certain gentlemen from Minnesota, Dakota, Wisconsin, and that portion of our country. Now, it so happens that on the Pacific coast we raise wheat, and wheat is raised in the group of States mentioned. On the Pacific coast we raise barley, and barley is raised in the group of States mentioned. We raise dairy products, and dairy products are produced in the group of States mentioned. We sell all these products in the same market that the products in the group of States named are sold. In other words, we are competitors with the products of these States. Yet the products from the group of States to which I have referred have a thousand miles of water upon the Great Lakes and through the Soo Canal to reach this common market. This canal through which their products pass is owned, controlled, and operated by the Government, and has been constructed at the expenditure of millions of dollars of the public money. The Great Lakes have been improved by the expenditure of millions of dollars taken from the Public Treasury yet no tolls are charged on vessels using these waters. The gentlemen from that portion of the country to which I have referred insist that the Government furnish them water transportation for their products free, and although we on the Pacific coast are many thousands of miles farther from the common market, they insist that we shall not be permitted to use the waterways constructed by the Government without paying tolls. Are we selfish in asking to be placed upon an equality with our competitors? Does it lie in the



mouths of the gentlemen from that section of the country to charge that the people from the Pacific coast are selfish in asking for a free canal for domestic commerce?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. SIMS] to the amendment of the gentleman from New York [Mr. GOLDFOGLE].

The question was taken, and the Chairman announced the yeas seemed to have it.

Upon a division (demanded by Mr. SIMS) there were—ayes 44, noes 66.

So the amendment was rejected.

The CHAIRMAN. The question next recurs on the amendment offered by the gentleman from New York [Mr. GOLDFOGLE].

Mr. MARTIN of Colorado. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Colorado. Does not the amendment of the gentleman from New York [Mr. GOLDFOGLE] raise the question of free tolls upon its merits, and a vote on this proposition will dispose of this entire matter one way or the other.

The CHAIRMAN. The Chair thinks that is not a parliamentary inquiry. All debate is closed on this question.

The question was taken, and the Chairman announced the yeas seemed to have it.

Upon a division (demanded by Mr. GOLDFOGLE) there were—ayes 33, noes 80.

So the amendment was rejected.

The CHAIRMAN. The Chair thinks the next amendment would be the one offered by the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The amendment was reported as follows:

Strike out all after the word "Canal," page 5, line 6, down to the word "Canal," page 6, line 5, and insert:

"Charges may be based upon registered tonnage, displacement tonnage, cargo tonnage, or otherwise, and when based upon registered tonnage shall not exceed \$1.25 per net ton, American measurement, nor be less (other than for vessels of the United States and its citizens and vessels of the Republic of Panama) than 50 cents per net ton; nor shall any rate of charge be prescribed which is less than the estimated proportionate cost of the actual operation of the canal, subject, however, to the provisions of article 19 of the convention between the United States and the Republic of Panama entered into November 18, 1903, and the right of the United States to pass its own vessels, troops, materials, merchandise, and supplies without the payment of any charge: *Provided, however,* That in fixing the charges for the use of the canal, the President may prescribe that any vessel engaged in the coastwise trade of the United States which is owned in whole or in part by any railroad company, or which is owned by any company the stock of which is owned in whole or in part by any railroad company, or which is controlled directly or indirectly by any railroad company, shall pay the highest charges prescribed for any vessel, and that the determination of the question of fact in each case shall be made in such manner and by such person or persons as the President may by general or specific order require: *And provided further,* That the foregoing proviso shall not apply to the Panama Railroad Co. or vessels owned by it. No preference shall be given to the vessels of any nation, its citizens or subjects (other than the United States and the Republic of Panama), observing the rules set forth in article 3 of the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901, and confirmed by article 13 of the said convention of November 18, 1903, over the vessels of any other nation observing such rules, its citizens or subjects.

Mr. MANN. Mr. Chairman, several amendments and propositions have already been presented which involve the matter of preferential tolls or no tolls on American merchant marine passing through the canal. I do not desire to aid in any way a division of votes upon such an important question, and as I shall support and vote for the Doremus substitute in the hope that it may be adopted and in the belief that it will, speaking generally, accomplish the purpose which would be accomplished by the amendment which I propose, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The next amendment is the substitute offered by the gentleman from Michigan [Mr. DOREMUS].

Mr. SIMS. Mr. Chairman, before the substitute is offered, I offer an amendment—

The CHAIRMAN. May the Chair suggest to the gentleman from Tennessee the first vote would probably come on the substitute offered by the gentleman from Michigan [Mr. DOREMUS], and then the gentleman can offer his amendment on the subject.

Mr. SIMS. But I am offering this amendment to the text of the bill.

Mr. MANN. When the gentleman from Tennessee offers an amendment to the substitute it, of course, would have to be voted upon before the substitute.

Mr. SIMS. This is an amendment to the substitute and is an amendment to the text.

Mr. MANN. If it is an amendment to the substitute, of course the amendment has to be voted upon before the substitute.

The CHAIRMAN. Certainly; but the substitute must be presented.

Mr. SIMS. I want to offer an amendment to the text of the bill to which the substitute will apply.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the end of section 5 add the following:

"That section 4347 of the Revised Statutes, as amended by the act of February 17, 1898, shall not apply to foreign vessels engaged in the transportation of merchandise and passengers between ports of the United States on the Atlantic and on the Pacific through the Panama Canal."

Mr. SIMS. Mr. Chairman, as I have discussed the same proposition, I do not wish to take up the time of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will report the Doremus substitute.

The Clerk read as follows:

Substitute for section 5 the following:

"SEC. 5. That the President is hereby authorized to prescribe and from time to time change the tolls that shall be levied by the Government of the United States for the use of the Panama Canal. No tolls shall be levied upon vessels engaged in the coastwise trade of the United States. Tolls may be based upon gross or net registered tonnage, displacement tonnage, or otherwise, and may be based on one form of tonnage for warships and another for ships of commerce. When based upon net registered tonnage for ships of commerce the tolls shall not exceed \$1.25 per net registered ton, nor be less, other than for vessels of the United States and its citizens, than the estimated proportionate cost of the actual maintenance and operation of the canal, subject, however, to the provisions of article 19 of the convention between the United States and the Republic of Panama, entered into November 18, 1903: *Provided, however,* That under regulations prescribed by the President a vessel paying toll going through the canal in ballast shall, on its return trip through the canal laden with cargo, be entitled to receive a rebate of 50 per cent of the tolls just previously paid going through in the opposite direction without cargo. If the tolls shall not be based upon net registered tonnage, they shall not exceed the equivalent of \$1.25 per net registered ton as nearly as the same may be determined, nor be less than the estimated proportionate cost of the actual maintenance and operation of the canal. The toll for each passenger shall not be more than \$1.50. The President is authorized to make and from time to time amend regulations governing the operation of the Panama Canal and the passage and control of vessels through the same or any part thereof, including the locks and approaches thereto, and all rules and regulations affecting pilots and pilotage in the canal or the approaches thereto through the adjacent waters.

"Such regulations shall provide for prompt adjustment by agreement and immediate payment of claims for damages which may arise from alleged injury to vessels, cargo, or passengers from the passing of vessels through the locks under the control of those operating them under such rules and regulations. In case of disagreement suit may be brought in the district court of the Canal Zone against the governor of the Panama Canal. The hearing and disposition of such cases shall be expedited and the judgment shall be immediately paid off without proceeding to execution. All such claims, whether by agreement or after judgment, shall be paid out of any moneys appropriated or allotted for canal operation."

Mr. GOOD. Mr. Chairman, I desire to offer an amendment to the Doremus substitute.

The CHAIRMAN. There is an amendment pending, by Mr. SIMS, of Tennessee.

Mr. GOOD. Then I withdraw my amendment for the present.

Mr. SIMS. Mr. Chairman, I wish the amendment I offered the other day to be read.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend substitute proposed by Mr. DOREMUS as follows:

"That section 4347 of the Revised Statutes, as amended by the act of February 17, 1898, shall not apply to foreign vessels engaged in the transportation of merchandise and passengers between ports of the United States on the Atlantic and on the Pacific through the Panama Canal."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. GOOD. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out of the amendment proposed by Mr. DOREMUS the following:

"No tolls shall be levied upon vessels engaged in the coastwise trade of the United States," and insert in lieu thereof the following: "Tolls shall be levied upon vessels engaged in the coastwise trade of the United States at the estimate of the proportionate cost of the actual operation of the canal which shall be determined by the United States Commerce Commission."

Mr. GOOD. Mr. Chairman, the substitute offered by the gentleman from Michigan [Mr. DOREMUS] provides that no tolls whatever shall be levied or collected from vessels engaged in the coastwise trade of the United States which pass through the canal. The amendment which I have offered provides that tolls shall be levied to the extent of the actual cost of docking vessels



through the canal. It seems to me we should meet this question fairly and should not attempt in this manner to grant subsidies to our coastwise vessels without saying we are granting subsidies to them. [Applause.] Every dollar that it costs the Government of the United States to dock a coastwise vessel through the canal, if we adopt the amendment offered by the gentleman from Michigan, is a subsidy pure and simple. [Applause.] It makes no difference what we call it, it is a subsidy. There is no reason why these vessels that are engaged in the coastwise trade, which enjoy a monopoly in the shipping industry in the United States, should not at least pay what it actually costs the Government of the United States to dock the vessels through the canal.

The amendment which I have offered does not call for a penny of return on the investment. It does not call for a penny of expenditure in the maintenance or operation of the canal, except what it actually costs for docking those vessels through the canal. And it seems to me that this great shipping monopoly ought not to ask anything more than this, and that we ought to adopt this amendment because it is fair. It is fair to the shipping industry, it is fair to the interior of our country, which in the end will be obliged to pay the subsidy that we will grant if the gentleman's amendment is adopted.

Mr. CANNON. Then the gentleman is opposed to this substitute?

Mr. GOOD. I am opposed to granting it in this way.

Mr. CANNON. It is the size of the baby that the gentleman objects to?

Mr. GOOD. No; it is the name of the baby that I am objecting to. If you are going to grant ship subsidy, let us say it is ship subsidy, and not let us pass this bill granting this subsidy substantially under some other name.

Mr. CANNON. Does it charge a smaller amount to pass a ship through the locks?

Mr. GOOD. I think my amendment gives a preference to the coastwise trade that is not granted to the foreign trade, and that is all this amendment would give.

Mr. CANNON. It does not include maintenance, however. It does not include the troops down there, and it does not include the interest on the indebtedness?

Mr. GOOD. No; and it does not include sanitation.

Mr. CANNON. It may be a colored baby, but a very small one. It is a smaller subsidy.

Mr. GOOD. I will say to the gentleman from Illinois [Mr. CANNON] that I accept this as the lesser of the two evils. I fear that if coastwise vessels are allowed to pass through the canal without the payment of tolls the cost of locking these vessels through the canal will in the end be borne by the interior shippers. We will be confronted with this situation: When the canal is thrown open for commerce there will no doubt be a spirited competition between the railroads and vessels engaged in coastwise trade between Atlantic and Pacific coast points. At least this measure contemplates such competition. Let us suppose that there will be such competition. Let us assume also that the competition will be such that the railroads, in order to transport freight from San Francisco to New York City, and vice versa, will be compelled to transport it at a price equal to or less than the cost of carrying it. The railroad companies carrying such freight at a rate less than the cost of carrying it will be compelled to recoup this loss from shipments in other territory. Obviously they can not recoup this loss on transcontinental freight or freight which has water competition, and the only place where the transcontinental roads can recoup this loss is from the interior shipper. The benefits which the owners of coastwise vessels will receive must be paid for, then, by the interior shipper. The adoption of the provision for free ships makes this very unnatural condition possible.

It has been pointed out in this discussion that the annual cost to operate the canal will be in the neighborhood of \$4,000,000. Its operation will require the employment of about 2,500 men. Practically all of this cost and all of these men are required to operate the machinery of the locks of the canal, and it is certainly not asking too much to require the coastwise vessels to pay their proportionate share of locking their ships through the canal.

Mr. COOPER. Mr. Chairman, I have been very much entertained to-day in observing the vigor and frequency with which the word "subsidy" is being used here in an attempt to frighten gentlemen who believe that coastwise traffic in American ships through the Panama Canal ought to be free. Gentlemen shout "Subsidy!" "Subsidy!" at those of us opposed to tolls on coastwise traffic. As for myself, I have outgrown the age when a mere epithet has any terrors. "Subsidy!" There is no more of subsidy in letting American coastwise ships go

through that canal free than there is to letting them go from port to port down the Mississippi River free, the Government having expended approximately \$120,000,000 upon that river for improvements, and now expending annually \$1,000,000 in appropriations for maintenance. [Applause.]

Wherein is there any distinction? If there be any distinction, let gentlemen point it out. Is it a subsidy to allow coastwise ships to go through the Soo Canal free, or to enter New York Harbor free, or to go down the Ohio River free? This word "subsidy" has been used for over a hundred years in this country by those opposed to any Government system of internal improvements, and especially to improvements of rivers and harbors.

It is the very argument that confronted Henry Clay and Andrew Jackson and other statesmen who believed with them that, on grounds of high public policy, this Government has the right to improve the waterways of the country, not because such improvement is for the benefit of any particular class of our citizens, but because it cheapens transportation to all the people and so is for the good of all the people. [Applause.]

Let any gentleman on this floor who says that we are "subsidy" men distinguish between boats going free of tolls down the Mississippi from St. Paul to St. Louis or Memphis or New Orleans, and letting them go free of tolls from New Orleans through the canal to San Francisco or Seattle. That canal is about 40 miles long. Suppose that it were cut through a range of hills 40 miles wide in Iowa. What, then, would be thought of a proposition to charge tolls, amounting to a tariff wall, between different sections of this Republic? I am for protection against the poorly paid labor of China and the underpaid labor of other countries, but I am for absolute free trade between every part of the Atlantic and the Pacific coast line of the Republic of the United States. [Applause.]

Putting tolls of \$10,000 or \$12,000 upon an American ship carrying American goods under the American flag, going through that American canal, is, in effect, only putting \$10,000 or \$12,000 of tariff upon the goods. You Democrats are accustomed to declare that the amount of a tariff on goods from Europe, if collected at New York, is added to the price of the goods. Is it not added to the price of the goods if collected at the Panama Canal on a ship going from New York or New Orleans to California? How do you Democrats answer that question? How do Republicans answer it—men who have always demanded free trade between the States?

The argument made here about subsidy was one of the arguments used by friends of the transcontinental railroads during the first terms of my service in this House to defeat every effort in Congress to provide for a canal to connect the Atlantic and Pacific Oceans through the Isthmus. And, Mr. Chairman, we have been told here of the great work of these railroad companies and of the great amount which their officers invested in building them across the continent. We have heard of this for many years. And yet it is a fact that none of those men really contributed one dollar to build either the Central or the Union Pacific roads.

The Government gave the Central Pacific \$48,000 a mile over the mountains, \$32,000 a mile for other portions, and \$20,000 a mile for all of it. The Patterson commission of 1887 reported that the cost was only \$22,500 a mile. These sums per mile all came from the Government.

Then the Government allowed them to issue first-mortgage bonds on the Government land grants to the roads equal to the total amount which the Government itself gave them through its own bonds. Gov. Stanford himself admitted that they had enough money from their own bonds and the Government bonds to pay for their railroads. The commission of 1887 made an investigation and reported that the proceeds of the Government bonds and of the first-mortgage bonds on the land grants supplied every dollar spent on the Central Pacific. The same is substantially true also of the Union Pacific.

Nobody wishes to do these roads any harm, Mr. Chairman; I have taken time simply to call attention to the facts about the alleged investments of their officers. [Applause.]

I have three times voted against ship subsidies. But the proposition before us is not one of that character.

Mr. MARTIN of South Dakota, Mr. STEENERSON, and Mr. KENT rose.

The CHAIRMAN. The Chair will recognize the gentleman from California [Mr. KENT].

Mr. KENT. Mr. Chairman, when I became a candidate for Congress I promised my people that I should never cast a sectional or a partisan vote, but should consider myself an American Congressman, and, therefore, in the interests of the whole country, as I see them, to preserve the sanctity of treaties, to expedite and free commerce, and to justly place



the burdens of commerce, I am here to speak against free tolls for coastwise or other American ships. [Applause.]

The question of whether the granting of free tolls is a subsidy or is not a subsidy, whether or not such a doctrine is a rose under some other name—the name of the beloved or hated subsidy—is not of any particular interest. The canal has been a very real expense in its costs of construction upon all the people of the United States, and it will be a very real expense in its cost of maintenance and operation.

The granting of free tolls to our coastwise ships would mean one of two things: Either that the remission of such tolls would yield greater profits to the ships engaged in such traffic or that the rates of freight carried by these ships would result in lower rates between the producer and the consumer. I believe that with the great difference that exists between the cost of rail transportation and the cost of ocean transportation that ships would easily be enabled to put their charge where the tolls would make little or no difference to them and that the ships would absorb all the benefits of such privilege. They would naturally put their rates as close to railroad rates as possible, except in the case of commodities not portable by the railroads.

But even granting that the producer and the consumer of certain coastal parts of our country should obtain a petty benefit from this remission of tolls, such advantage would be at the expense of the people of other portions of our country, who having paid their share in the cost of the construction of the canal, would be uniformly taxed for the maintenance of the canal should there be any deficit.

If we call this an opportunity to stimulate our merchant marine in order that it may be an adjunct to our Navy, it would seem that we are likely to enter upon fallacy. I should not object to a ship subsidy that was solely for the purpose of establishing in a merchant marine an adjunct to our Navy, a means of furnishing men and ships in case of war. But I believe that when we come to consider such a subsidy, granted for war purposes, we must see to it that there must be such safeguards put about such a law as would insure the obtaining of men suitable physically and mentally and by citizenship for naval service; that they should be subject to proper naval drill, so that in case of war they would be of a sort that we could rely upon as naval recruits. As regards ships, if the Government of the United States needs any American ships, our Government can condemn them and take them for war purposes, and there can be no contention that the Government has not in the past and would not in the future pay liberally for them.

I am not interested in analogies based on river and harbor bills. Everyone knows that a difference in degree creates difference in kind. What was a meritorious policy in the matter of river and harbor appropriations at one time has become a grab bag and an abuse, and everyone knows it. It is now time to call a halt. The most logical argument in the favor of subsidizing country roads upon which are rural routes was based on the analogy to a swollen river and harbor bill. That was the only excuse that could be offered to justify a perennial and an unjustifiable and a heedlessly disbursed local grab from the Federal Treasury. Every time we enter upon any form of such extravagance we lead to other forms of the same thing. This proposition of "free tolls" is really a policy of subsidy, which no one has demonstrated that it is not. A policy like this, to my mind, is leading to the wrecking of real State rights, of home rule, and local self-respect. It is a policy leading more and more to a leaning upon the Federal Government for daily bread, and I believe our institutions will have trouble in standing before it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MARTIN of South Dakota. Mr. Chairman, I should like to have the attention of the House for a few minutes while we consider something about what it means to pass these ships through this canal, whether the ships are engaged in coastwise commerce or are engaged in any other commerce.

The gentleman from Wisconsin [Mr. COOPER], with great eloquence, talked about the free passage of these ships through the canal as though it did not cost anything to anybody to put them through after this enormous expenditure by the Government in the construction of the canal. As a matter of fact, there are three sets of locks on each side of this canal, of about 1,000 feet in length each. The ships have to be put through those locks, and they have to be lifted 85 feet up one side and lowered 85 feet on the other side. They are not handled in the locks at all by their own power. The locks are handled, in the first place, by tremendous electric power, and in the second place, the Government is ordering 48 large electric locomotives to pull these ships through the canal. The gentleman from the coast States, after having had constructed for them this canal,

at the expense of the entire people—a great undertaking, that will cost not less than \$375,000,000—

Mr. COOPER. Mr. Chairman, will the gentleman yield right there?

The CHAIRMAN. Does the gentleman from South Dakota yield to the gentleman from Wisconsin?

Mr. MARTIN of South Dakota. I regret I have not the time.

Mr. COOPER. Is the gentleman aware that there will be 46 locks on the Ohio River, and that the boats there will have to lock through?

Mr. MARTIN of South Dakota. We have enough to attend to at Panama without bothering about the Ohio River now. I want the gentleman to understand this proposition: Who will pay that expense? It seemed to the committee that the expense should be apportioned to the commerce enjoying the benefits of the canal rather than be imposed as a tax upon the entire people. The mere interest on this entire obligation amounts to no less than \$10,350,000 a year. It is difficult to say what it will cost to pass a ship through those locks. It depends somewhat on how many ships the traffic will bring.

Why, the gentleman talks about analogies as to coastwise commerce and the conditions in ports. Our own boats can not get into the port of New York without being stopped at Sandy Hook and pulled in by tugs and paying the expense of being pulled in, but here is a proposition that after the American people have constructed a great enterprise that will reduce the cost of transporting freight from the Atlantic to the Pacific at least \$4 a ton, these gentlemen come, and, in addition to that, demand that we shall pull the boats through the canal, and that they shall not bear even the expense intended to be provided by the amendment of the gentleman from Iowa. It seems to me, in the face of what the country is doing for the commerce of the entire world, what it is doing for the coastwise shipping, the only transportation agency under American control that has anything like a monopoly, that it is on its face a colossal and superlatively selfish proposition for them to enjoy the only transportation monopoly allowed under our system of American laws, and then insist in addition to that that the traffic tax imposed on American ships, not for permitting the boats to go through the canal but to cover the cost of taking them through shall be given them. [Applause.]

Mr. GOOD. Will the gentleman yield?

Mr. MARTIN of South Dakota. If I have time.

Mr. GOOD. If the gentleman from South Dakota wants an analogy, would it not be a better one to say that if the Government of the United States owned the railroads, then it ought also pull the trains free of charge?

Mr. MARTIN of South Dakota. The Government has owned for some time the Panama Railroad, and has been collecting the necessary expenses of transporting some of this same commerce across it, and still we have not known of any American citizens rising in their ambition and in their desire for further gain to suggest that the Government ought not to impose tolls upon that transisthmian commerce. [Applause.]

Mr. STEENERSON. Mr. Chairman, for more than 50 years a demand has come from all parts of the American people to encourage the merchant marine engaged in foreign trade. Some schemes have been advanced for postal subsidies, some for discriminating duties and direct subsidies. The reason for this demand has been that the ships in the American shipyards cost more than those that are foreign built; that it costs more to run them than it does to run foreign ships; and that therefore they had to compete with cheaper built ships and cheaper paid crews.

Has anybody ever heard of a demand for a subsidy or aid to domestic merchant marine, who have no competitors? Not at all. [Applause.] It would have been unreasonable to ask it if they had. This is the first time in the history of the American Congress that anybody has ever demanded any assistance from the Treasury for the domestic merchant marine; that is, those in the coastwise trade.

If you grant this concession, what will be the result? You will be discriminating in favor of that part of the American merchant marine which has no competitor and against that part having competition. [Applause.] You who are against subsidies, can you resist the call when they come and say, "You have subsidized the local, domestic merchant marine that has no competition, that has nobody to run prices down, can not you give us some encouragement to enable us to compete with coolie labor and cheaply built vessels?" You can not resist that demand, because it will be founded in justice, and you are laying the first foundation for ship subsidies. Mark my word, if you pass this amendment that demand will come.



Another result of concession of free tolls to the domestic merchant marine will be that you are giving coastwise vessels of ten or twelve thousand tons capacity a bonus of \$10,000 or \$12,000 on each trip through the canal, and you tax the American merchant vessel engaged in the foreign trade bound for a foreign port for going through the canal because they are competing with cheaply built vessels and cheap labor. [Applause.] Therefore you increase the disadvantage of the vessels that have competition and give a bonus to those that have no competition. The proposition is so absurd that I wonder it has not been withdrawn long before this. [Applause.]

The proposition for free tolls to our domestic vessels using the Panama Canal is nothing more nor less than a demand for a subsidy for those vessels. Why should they be given such a subsidy? Not because it costs more to build or operate them than it costs to build and operate competing ships, because there are no competing ships. It must be, therefore, on the ground that it costs more to carry freight and passengers by the water route from the Atlantic to the Pacific coasts than by rail across the continent, because the transcontinental roads are the only competitors in that traffic. But if the land route is cheaper, then, there never was any commercial reason for building the canal. The truth is that the water route, even with the highest proposed tolls, will be much cheaper than the rates by land, and will cut present land rates in two.

Free tolls will not rehabilitate our merchant marine in the foreign trade, because it is not proposed to include that trade. If we are going to give the public the benefit of competition of the canal route, then it could be done by granting free tolls to American ships in the foreign and coastwise trade and then exclude the trade between Atlantic and Pacific ports from the coastwise laws. Then foreign vessels could engage in it and compete with our ships, but not on equal terms, because our vessels would have the advantage of free tolls.

This would, together with the right to register foreign-built ships, not only encourage our foreign-going shipping, but give the people the benefit of the fullest competition and compel the lowering of transcontinental railroad rates. [Applause.]

Mr. SLAYDEN, Mr. Chairman, when the American people spent \$400,000,000, or approximately that sum, in building this great canal and presented it to the world for the promotion of commerce, they did, it seems to me, everything that could be reasonably expected of them. It will perhaps cost as much as twenty or twenty-five and I have heard it estimated thirty million dollars a year to maintain that canal.

Mr. KNOWLAND. Will the gentleman yield?

Mr. SLAYDEN. I can not yield.

The question that confronts us at this moment is by whom and how that heavy annual charge for the upkeep of a canal built by all the people is to be met. It seems reasonable and just to assess it against the traffic that goes through the canal itself. Thus those who primarily benefit will pay it. Of course, it is not going to be paid by the ship itself. Every charge against the transportation line or ship will be put on the commodity carried. We all know that we can not avoid that law of trade by any law of Congress. Any burden that we impose on carriers, whether on sea or land, will be immediately transferred to the articles carried. If that could not be done, the weaker transportation lines would soon be put out of business, and as a result of our legislation the people would find themselves at the mercy of monopoly. The fact that the toll will be put on the cargo carried is no argument against it. In my judgment, sir, the proper procedure is to make a reasonable charge against traffic through the canal. By the shipping companies it will be charged to the articles carried, and thus finally be paid by the people who gain by the use of the canal. Assuredly, sir, the commerce that goes through the canal, which it gets without cost of construction, can afford to pay, and should be made to pay, for its maintenance. [Applause.]

It is proposed, as was clearly shown by the gentleman from Minnesota [Mr. STEENBERG], to offer an additional advantage to the trade that already enjoys a peculiarly beneficial monopoly. Our coastwise shipping has the enormous advantage of an exclusive right to trade between the ports of this country. [Applause.] In common fairness more should not, and more need not, be done for it in order to maintain it in prosperity.

If there were no other good and sufficient reason for charging a fee for the use of the canal, I would still do it in the interest of all the taxpayers of the country, who paid for it and who, in most cases, will receive so small a benefit from it that it will hardly be traceable.

To grant the free use of the canal to the coastwise trade, and only to that trade, would be a discrimination in favor of a branch of shipping that already enjoys a law-made monopoly

and does not need this additional favor. Our people are now taxed needlessly to maintain that monopoly. Let me illustrate: The North German Lloyd Co. operates a line of steamers between Bremerhaven and Galveston. West bound those steamers touch at Baltimore to discharge passengers and cargo. They are not permitted, when they resume the voyage, to take on cargo for Galveston. That privilege is reserved at a higher figure for the monopolistic coastwise lines that it is now proposed to grant this additional benefit to at the expense of the American people. If the German line from Bremerhaven to Galveston were allowed to trade from port to port, east and west bound, our people would have lower freight charges for the carriage of their fruit, cotton, and meats. I do not feel disposed under these circumstances to give any more advantages to the coastwise lines.

But, Mr. Chairman, there is another and higher reason why we should not grant the free use of the canal to any ship or line. We are solemnly pledged by treaties with other Governments not to do so. We have agreed to maintain equality of conditions in the use of the canal.

It is hard to believe that gentlemen can be serious when they urge a violation of the terms of a solemn treaty.

It would be reprehensible in an individual, and it is neither decent nor honest in a Government. There ought not to be a different standard of honor for individuals who make up a nation and for the nation itself.

Now, I believe, sir, that it is just as proper, just as essential for the Government to keep its pledged word as it is for an honorable individual to do so. I do not believe that in the eyes of the world, and in the understanding of all honest, fair-minded men, we can any more afford to disregard our international obligations, our solemn treaties, and maintain the respect of foreign Governments than an individual could do the same thing in private life. If we are not to stand before the world convicted of insincerity, if we are not to be met with incredulity when we propose treaties, we certainly ought to keep our pledged faith with Great Britain and the other Governments of the world in respect to the use of this canal.

We do not have in Central America the best reputation in the world for maintaining our treaty obligations, and my vote will never be given to further discredit this country in that respect and in that section of the world. [Applause.]

Mr. COVINGTON. Mr. Chairman, the amendment now offered to the bill to provide for free tolls to American vessels in the coastwise trade passing through the canal is aptly described by the gentleman from Wisconsin [Mr. COOPER] as in no sense a ship subsidy. The time has gone by, as he states, when the mere characterization of an act by an epithet should deter gentlemen on the floor of this House from meeting squarely any issue.

I have been for some time in doubt about the propriety of granting free tolls because of the question involved in the construction of the treaty with England by which we established our right to build the canal.

I was constrained to consider for some time the argument so forcefully advanced by the gentleman from Minnesota [Mr. STEVENS] that the treaty prevented discrimination in favor of American vessels in domestic trade in the matter of canal tolls. It impressed me, but I have come to the conclusion that the United States, when it negotiated with England the Hay-Pauncefote treaty, never, in fact, intended to surrender the absolute right to control its domestic commerce, no matter through what waterways it may or may not pass. [Applause.] We must recall that to-day American vessels in the coastwise trade, sailing from the Atlantic to the Pacific coast, that have passed around the Horn or through the Straits of Magellan and up the Pacific coast, are within the laws relating to coastwise trade already passed by Congress. These vessels travel 10,000 miles, largely through foreign waterways, and yet not for one moment do those vessels cease to be subject to all the regulations of the coastwise trade.

When we recall the history of foundation of this Government, when we look at the prime constitutional ideas that established the American Nation, we must understand that free and unrestricted intercourse between the States was very much the basis of creating this Nation in its present form and with its constitutional limitations. There is no man in this Hall who knows the history of the foundation of the American Nation who does not know that the Annapolis Convention was conceived in the idea that the restrictions on trade placed by the various Colonies and States before the Revolution and under the Articles of Confederation were sapping the vitality of the country, and one of the earliest and strongest purposes of the founders of the Constitution was that there should be a government that could forever guarantee free and uninterrupted



intercourse between the States. You may to-day start a cargo in New York through the great canals of the State of New York, land that cargo at Buffalo, transship it by steamers that are the equal of ocean steamships, and land it at Duluth. You may then send it by transshipment from Duluth to the Pacific coast, and there is not one dollar of embargo, not one tithe of toll, placed upon that cargo of freight. The American Nation has in the last 40 years expended \$625,000,000 in river and harbor improvements in this country for the benefit of free trade between the States, and I say that it has rightfully made that expenditure in order that this Nation may be bound together from coast to coast and from the Canadian line down to the waters of the Rio Grande. But, Mr. Chairman, there is no more right for us to say that those expenditures should have been made in order that trade between the States may pass freely than there is now to say that we shall now expend money to construct a canal which shall make possible freer intercourse between our States on the Atlantic and the Pacific coasts. [Applause.]

The argument of the gentleman from South Dakota [Mr. MARTIN], when he calls attention to the cost of the Panama Canal, is not sound or well stated. It was developed, Mr. Chairman, in the hearings before the Committee on Interstate and Foreign Commerce, that the most tonnage that can pass through that canal annually in the next decade will be 1,000,000 tons of domestic commerce, and that, at a maximum rate of \$1 per ton, will yield the amount of \$1,000,000 annually in tolls. When we speak in sums of money on the floor of this House in connection with the management and maintenance and protection of this canal, \$1,000,000 becomes an insignificant part of the total sum. When we take into account the interest upon the bonds issued for construction and then take the cost of operation and the cost of protection of the canal, the question of the levy of \$1 a ton upon only 1,000,000 tons of traffic in the coastwise trade using that waterway becomes so relatively small that it ought not seriously to weigh with gentlemen in this House when they are determining whether or not they want to provide for our domestic commerce through that canal in strict accordance with the great American principle of free intercourse between the States; and I want to assert in conclusion that, believing it is Democratic doctrine to guarantee at all times the free intercourse between our States, and that it is sound policy that this Nation should not fetter but encourage the commerce between any sections of it, I support the amendment. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I have been surprised, I might say astonished, at the position which some gentlemen have taken with reference to the construction of the treaty in question here. When the words of a treaty solemnly entered into between two nations are quoted, what answer is it to say that we paid for the canal and dug it? What answer is it when the terms of our bond are read to us and when they are before us to say that the canal cost us \$400,000,000 and that now we will manage it to suit ourselves? When two nations, through their plenipotentiaries, discuss the terms of a treaty and that treaty is presented on our side to the Senate of the United States and this very proposition which is now before this House, namely, the discrimination in favor of our coastwise trade, is presented to that body as an amendment and it rejects it, what answer is it now to say that we have dug the canal, that we have paid for it, and that we will do with it as we please? And that, too, after having obtained in this very treaty permission that we might build this canal, for such were the terms. The word "may" is used in the treaty. And now is it to be said in answer to the provisions of the treaty that we will do just as we please with it? What else is that than insult to a friendly nation? What answer do gentlemen give to the argument that has been made? What can they claim these words in the treaty mean other than what they do say? What gentleman has given any other construction, taken from the words themselves, that could be put upon the language which is stated in the treaty? The treaty says that the canal shall be opened to vessels of commerce and of war of all nations observing these rules on terms of entire equality—

Mr. SULZER. The Secretary of State says foreign nations, and that is agreed to by the representatives of every foreign Government on earth.

Mr. GREEN of Iowa. Mr. Chairman, I can not yield to the gentleman. The gentleman had his own time. Do "all nations" mean other nations than the United States—"all nations" observing these rules? The United States is one which observes the rules. Does "entire equality" mean a difference of tolls on the canal? And what do the other words of the treaty mean? It says that there shall be absolute equality in respect to conditions and charges of traffic and otherwise, that there shall be no discrimination. The terms are made as broad

as they could be made. "Otherwise" means in all respects; there shall be absolute equality as far as traffic through the canal is concerned. So reads the bond, so reads our agreement. No one has offered any other construction to be placed upon these words.

Mr. SULZER. I have, and so has the Secretary of State.

Mr. GREEN of Iowa. The gentleman has not stated how or why. I wish to say further—

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PAYNE. Mr. Chairman, I am somewhat surprised at my friend from Iowa and my friend from South Dakota and my friend from Minnesota that they have not read the lesson of the Erie Canal, built by the State of New York at an expense almost equal, when the present improvement is completed, to the entire expense of the Panama Canal. [Applause.] Now, the State built that canal and the people in Iowa got cheaper freight for their corn and their cattle coming to the markets of New York, and the constituents of the gentleman from South Dakota and the people of Minnesota got cheaper freight rates for their wheat coming into the State of New York to compete with the little wheat fields in my district up there in the country. But they got it at the expense of the taxpayers of the State of New York, who put every dollar needed in the construction of this Erie Canal, and who not only have opened it free of tolls to the boats that carry these products from the people of those States, but the operating expenses are borne, every farthing, by the State of New York. [Applause.] They come in here as a last resort and want to know if the United States is to charge for the putting of these boats through the canal. We did not hesitate about that. Our people voted it, and some of them voted it when they knew that the products of the people of your State would come in competition with the products of the farmers in our own State. And yet they do not seem to learn this lesson. Why, my people went back and thought that the framers of the Constitution and of the Government knew what they did, and that the main cause and the moving cause of the Union of the States grew out of the question of commerce between the States, and they wanted to remove every friction; and that lesson lasted more than 100 years, and my people were glad to have the facilities afforded by the Erie Canal given to the commerce of the country. [Applause.] To say it benefits—

Mr. SHERLEY. Will the gentleman yield?

Mr. PAYNE. I can not. Unlike the gentleman, this is the first time I have spoken on this subject. You say it benefits the city of New York and the city of Buffalo. It does in a way; it helps the farmers of my State in getting the products cheaper into the city of New York, for we find the rates on the railroads are reduced because of the existence of that canal. But you want to remember that from Buffalo the wheat that comes from your State and every bushel of corn that comes from your State and every head of cattle that comes from your State into the East reaches those markets at a cheaper tariff because the State of New York has built that magnificent canal, which now, when completed, will have a draft of 12 feet of water. Now, you higgie and haggle here over a little amount of charge that you may give to the people of the Pacific coast, if you please, because interstate commerce is to go through the Panama Canal. You talk about the price in extravagant terms that it will cost to run this canal. I understand the total cost of operation and sanitation will not exceed \$4,000,000, and with the estimate of commerce to go through this canal, in excess of 10,000,000 tons at \$1.25 a ton, the entire expense will be paid twice over if you allowed every pound of freight coming from the Pacific coast to go through free. The fathers, when the Constitution was formed, contemplated that no tribute should be paid on anything coming from one State to another. [Applause.]

Mr. MICHAEL E. DRISCOLL. Mr. Chairman, as my distinguished colleague from Auburn, N. Y., has based his argument upon the Erie Canal, I take the liberty of stating the exact facts about the Erie Canal, and will draw a conclusion which clearly differentiates it in principle from the Panama Canal. [Applause.] The Erie Canal was opened up to navigation in 1826, before the New York Central had gotten started, in order to help move traffic from one end of the State to the other. Very soon after that the New York Central Railroad began to develop, first by owning several small railroads—one was the Utica & Syracuse, another 50 miles long—and after awhile the great Cornelius Vanderbilt took it up and connected it into one line, called the New York Central. And then, after they got one line established, the New York Central built two tracks, and then three tracks, and then four tracks.

Mr. PAYNE. Will my colleague yield?

Mr. MICHAEL E. DRISCOLL. Well, I have but five minutes.



Mr. PAYNE. Just for one question. I would like to know why they built the Erie Canal to the city of Buffalo and made an entrance into Lake Erie?

Mr. MICHAEL E. DRISCOLL. That is not material. I want to state the facts. After awhile, after the four tracks on the New York Central, the West Shore was laid parallel with the canal—parallel with the Central—so that two lines of tracks and the canal went from one end of the State to the other, and were confined to a zone not wider than a mile. Now, the New York Central by degrees developed its business, until it reduced the cost of carrying freight and cut into the canal business so that the boatmen could not pay the tolls and live. My friend does not say that from the time the canal was started in 1826 until 1883 it paid tolls all the time. [Applause.]

He leaves that out. It paid tolls until the time came when by this fierce competition they could not pay tolls any longer. Then, in 1883, the tolls were taken off and the canal was made free. Now, where is the similarity? Why, this canal furnishes such a benefit to coastwise ships through it that they could pay \$6 a ton for their freight going through and make more money than they are making now. They do not need it. They can make all the money they want to and they do. The toll is negligible. They all admit that these ships can drive the railroads out of the traffic from coast to coast if they wish to do it. We do not need to help them. They want this subsidy, and I repeat it for the gentleman from Wisconsin, it is a subsidy and an appeal to the American flag in order to prejudice people in favor of this graft. [Applause.] The American people who built this canal with American money and American genius and American enterprise should have a little benefit of it. I say the people generally should have a little of that benefit and that less than 1 per cent of them, who are greedy and selfish beyond description, should not have it all. [Applause.]

The CHAIRMAN. The gentleman from Louisiana [Mr. BROUSSARD] is recognized, according to the agreement, for 20 minutes.

Mr. BROUSSARD. Mr. Chairman, I purpose to discuss the proposition submitted to the House by the gentleman from Michigan [Mr. DOREMUS] without in any wise attempting to decry those gentlemen who do not agree with me upon this proposition.

I should like to make the statement on this proposition as fairly as I am able to make it, and in order that I may do so I desire to read just a few words from the original proposition regarding the toll matter as is included in the bill now under consideration, and the amendment submitted by the chairman of the committee, the gentleman from Georgia [Mr. ADAMSON], adopted by the House committee a while ago:

No preference—

Says the bill—

shall be given no discrimination shown, directly or indirectly, to the vessels of any nation, its citizens or its subjects, other than vessels—

And so forth.

The amendment adopted reads:

The rate of toll shall be uniform upon all vessels excepting the official vessels of the Government of the United States.

And so forth.

Now, primarily, the difference between the propositions submitted by the majority of the committee and the substitute offered by the gentleman from Michigan [Mr. DOREMUS] is simply a difference as to whether there shall be any tolls imposed upon vessels doing the coastwise business of this country, which, of course, is entirely in American vessels, and vessels traveling through the canal belonging to all of the nations of the world, including American vessels engaged in foreign trade. The first objection to the proposition embodied in the bill, which is not at all cured by the amendment of the gentleman from Georgia, adopted by the committee this afternoon, is to this effect, that vessels engaged in coastwise trade, all of which are exclusively American vessels, should be enabled under this law to go through the canal without having tolls imposed upon them. And the proposition embodied in the original words of the proposition in the bill and the amendment as adopted by the House contemplates that vessels engaged in coastwise trade shall also bear the tax or toll imposed upon other vessels going through the canal. Now, the proposition originally included in the bill, as well as the amendment adopted by the House to-day, is, in fact, an interpretation of the treaty under which we were permitted to build this canal.

In my opinion foreign nations have no concern whatever, so far as our coastwise navigation laws are concerned, in what enactment may be made by this Congress relating to coastwise trade, whether that trade goes through the canal or otherwise, because no foreign vessel is permitted to engage in our coastwise trade. Only American vessels are permitted to engage in

that business, and I do not see how it is possible for anyone to construe the fact that we propose to permit vessels in which no foreign nation has any interest whatever, in which they never have had any interest since the enactment of the coastwise navigation laws of this country. I do not see how any of these nations can possibly be interested in any legislation which may be enacted by this or any future Congress, so long as these laws are extant upon the statute books.

But the interpretation is, that by the proposition in the bill and by the amendment adopted to-day it would in the end foreclose us from giving any preference to any vessel engaged in the coastwise trade or any American vessel engaged in commerce upon any sea of the world. And it does not make a particle of difference that this amendment was intended that we should not be held to have construed the treaty.

The fact remains that, no matter at what time we may determine otherwise hereafter, if the committee's idea shall prevail in this bill, we may undertake to relinquish the right of this Government to collect tolls upon American vessels, whether engaged in coastwise or foreign trade, the nations competing with us in the carrying of foreign trade hereafter will hold that this forecloses us in rebating in behalf of our own shipping to vessels going through the canal. And I hold, if this proposition is carried in the bill, not only will it not permit us to decide for ourselves as to our own shipping along the coast in which no foreign nation can take part, but foreign nations will quote this as an acknowledgment on the part of the American people that we have no right to rebate the tolls that may be collected upon vessels that may be engaged in coastwise or foreign shipping.

Now, if there is any doubt as to whether we have a right to remit tolls—and I shall not speak of subsidies at this time, because I propose to deal with that subject a little later—but if there is any doubt as to whether we have the right, in so far as coastwise traffic is concerned, to rebate in favor of traffic going through the canal, I may quote a decision of the Supreme Court of the United States in regard to charges on vessels entering the ports of this country.

Some years ago a treaty was made between this country and England by which it was stipulated that British vessels entering the ports in this country should not be charged any more for that privilege than should be charged for American vessels engaged in the same trade.

A statute was passed by Congress and a law was enacted by the State of Texas, and when a British vessel entered the port of Galveston the port authorities, acting both by virtue of the law enacted by Congress and of the law enacted by the State of Texas, charged pilotage upon an English vessel, pilotage which had not been charged upon an American vessel. The Supreme Court of the United States in the case of *Olsen v. Smith* (195 U. S., p. 332), quoted in part in the report of the minority, decided, through Chief Justice White, then an associate justice on the bench of the Supreme Court, that the coastwise business of the United States was of no concern to the vessels of foreign nations engaged in business in this country, and that in this case the laws of Texas and the laws of the United States put a legitimate burden upon them despite the treaty between the United States and England, which could not affect their traffic, and that this warranted the authorities of our country in excluding from the operation of the United States laws and the Texas statutes the charges upon vessels of the United States not only on those engaged in coastwise traffic, but as well those engaged in world-wide traffic.

The Supreme Court of the United States maintained that doctrine, so that I do not see how it is possible for anyone to contend that there is ground of complaint because a foreign vessel going through the canal carrying traffic which it can not take up in any port of the United States for delivery in any other port of the United States, is treated in a way different from the way in which our coastwise vessels are treated.

I do not see how it can be claimed that these have a just ground for complaint. The owner of such a foreign vessel can not complain that he is being discriminated against in favor of a vessel the character of traffic from which he is already excluded by law and from which it is excluded at this time of the cutting of the canal. The fact that an American vessel doing business between ports in the different States of the Union and doing business that is purely interstate is receiving a preference can not be the basis of complaint on the part of any vessel not permitted by law to participate in such commerce.

So far as I am concerned, I am in favor of allowing every vessel flying the United States flag to go through the canal without paying any tolls at all. I stand upon that proposition.

But we who have been opposed to any tolls upon vessels doing a coastwise business have felt that the argument which has



been ingeniously presented upon this floor to the effect that there is a discrimination that violates the treaty between England and this country might prevail if we extended the benefits of this exclusion—not subsidy—to American vessels engaged in the foreign trade, and that it might possibly by such argument bring us into complications with foreign nations at the very moment of opening the canal. We have been anxious that there shall be no complication when the canal is opened, in order that we might invite the trade of the world to go through that canal, instead of having controversies through the State Department of this Government with foreign nations engaged in foreign trade going also through the canal.

Now, I can not see how anyone can claim that there is a discrimination because of the fact that that traffic from which all nations of the world are excluded is given preference over traffic in which all other nations are permitted to participate. Why should any nation claim that it is being deprived of rights which it possessed because of the fact that vessels engaged in traffic between the States, in which they are not permitted to engage at all, shall have preference, in so far as tolls are concerned, over vessels engaged in an entirely different business, with which there can be no competition and as to which there is absolute prohibition.

Now, I understand from the debate that has occurred on this floor that gentlemen are arguing that we ought to impose tolls upon American vessels engaged in the coastwise trade, because we need the money. That is not borne out by the testimony before the committee. The testimony is this, that according to the estimation of Prof. Johnson, in whom everybody who knows anything about the subject has great confidence, the canal will carry, in the first year, a tonnage of over ten and one-half million tons, and of that tonnage only 1,600,000 tons will consist of coastwise traffic. The estimate of Col. Geothals is to the effect that the cost of maintaining the Canal will be only \$4,000,000 a year, and that with the profits accruing to us by virtue of the fact that under this bill coaling stations, and so forth, will be operated by the Government, this cost will be reduced to \$3,500,000. It is estimated that with a toll of \$1 a ton a revenue of over \$9,000,000 would be derived with which to operate the canal. If you exclude the coastwise trade you would still have \$8,500,000, with which to pay an expenditure of \$3,500,000.

Now, where is the necessity of putting on this toll? And yet gentlemen who are opposed to the granting of free passage to American ships engaged in the coastwise traffic assert that the failure to tax coastwise traffic is a subsidy. I will tell you where the subsidy is. The subsidy is not in favor of American vessels that will pass through the canals, but the subsidy is to the railroads. [Applause.] Do not talk to me about subsidies. Why, to carry the argument to a logical conclusion of the gentlemen who claim it as a subsidy to the vessels, suppose we should put a tax of \$10 a ton on every vessel in the coastwise trade going through the canal, there would not be a ton go through, but the railroads would charge the American consumer every cent of the \$10 in the transportation of freight and in supplying the demands of those who live on the coast just as they would those living in the interior of the country. Why, gentlemen, the subsidy is for the railroads. We put in the bill a maximum of \$1.25 a ton. Everybody admits that the tax will only be a dollar in order to permit this canal to compete with the Suez Canal. Will anyone say, as the President has declared for \$1 a ton, that the 25 cents not charged is a subsidy, or will it be construed as a remission of authorized charges?

The subsidy is for the railroad. No man came before the committee asking for the imposition of a tax on the steamship companies except the men who were engaged in railroad business carrying freight from coast to coast. [Applause.] The charge of tolls is the subsidy to the railroads, and those who talk of subsidy had better look to it. The American people are wise to it, and if you look at resolutions adopted in every commercial body, not only on the coast, but in the inland cities of the country, you will find that there is no one interested in these tolls but the transcontinental railroad companies. Every dollar that you add to the tax of a ton of freight that crosses through the canal enables the railroads to add the tax on a similar ton of freight in carrying it across the continent or in delivering it in the interior of the country.

Mr. SABATH. Will the gentleman yield?

Mr. BROUSSARD. Certainly.

Mr. SABATH. Is it not a fact that most of the coastwise vessels are owned by the railroads?

Mr. BROUSSARD. Yes; probably so. But will the gentleman vote with me to exclude from the use of the canal every steamship owned in whole or in part by a railroad?

Mr. SABATH. I will.

Mr. BROUSSARD. Will the gentleman stand with the American people or stand by the railroads?

Mr. SABATH. But the gentleman maintains that we are aiding the railroads by placing a tax on the vessels that are owned by the railroads. I can not understand his argument.

Mr. BROUSSARD. Let me read the gentleman a proposition in regard to section 11. Perhaps this will clear his understanding. It is my purpose, when we reach section 11, to offer an amendment, a part of which reads as follows:

That from and after the opening of the Panama Canal no ship engaged in interstate commerce which is owned, leased, controlled, or operated by any person, firm, association, or corporation engaged in any agreement, combination, ship ring or conference with reference to rates, ports, routes of traffic, rebates, or terminal facilities shall be permitted to engage in interstate trade through said canal, and it shall be the duty of the President to exclude every such ship of commerce from the canal.

Will the gentleman from Illinois vote for that?

Mr. SABATH. I have voted for that proposition and shall continue to vote for it.

Mr. BROUSSARD. I am glad to hear the gentleman from Illinois say that.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ADAMSON. Mr. Chairman, if we use 10 minutes more we shall have been on section 5 three hours, which is more time than the gentleman from Louisiana and I agreed to take. I move to close debate in 10 minutes, and I think it is fair that the gentleman from Minnesota [Mr. STEVENS] should have that 10 minutes.

Mr. MANN. The gentleman from Georgia can move to close debate in 10 minutes, but he can not allot the time. Under the rule it would have to be divided equally.

Mr. ADAMSON. Mr. Chairman, I move to close debate on this section and amendments in 10 minutes. As I say, I think it fair that the gentleman from Minnesota should have that time.

The CHAIRMAN. The gentleman from Georgia moves to close debate on this section in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. STEVENS of Minnesota. Mr. Chairman, it is one of the amusing features of this debate to notice the agony of the gentleman from Louisiana [Mr. BROUSSARD] in opposition to the terrible railroads. It is the first spasm that the members of the committee have noticed, so far, since his service on the Committee on Interstate and Foreign Commerce. When you compare the records of the gentleman from Georgia [Mr. ADAMSON], the gentleman from Missouri [Mr. HAMLIN], and the gentleman from Tennessee [Mr. SIMS], and the other majority members of that committee, I think no further argument is necessary on that proposition, or to answer the thunderings against the transcontinental railroads, which here so often are the bogie men to terrify the faint-hearted and gloss the sins of those who know what they are here for.

But there is a little matter, before I enter on the main proposition, that I wish to speak of. On page 2 of the Doremus amendment you will notice these words, in line 3, speaking of the tolls, "other than for vessels of the United States and its citizens"; describing those who will have the use of the canal, "use of the United States and its citizens." Do you know that under that language all foreign lines in the world owned by our citizens could be sent through the canal free of tolls, including that of the International Mercantile Marine, the Red Star Line, the United Fruit Co., with its 76 vessels under a foreign flag yet owned by our citizens? Under the Doremus amendment and that language all of those could be sent through the canal. I do not know whether they intended that or not, but that is the fact, and that is a joker which is cunningly hidden in the recesses of this remarkable amendment.

Mr. MANN. Of course that is not the fact.

Mr. STEVENS of Minnesota. As my colleague from Minnesota [Mr. STEENBERSON] has so clearly pointed out, the coastwise trade is a monopoly now to our own vessels, and has had a monopoly for nearly 100 years, and by this amendment you discriminate in favor of the trade which has the monopoly and against the foreign trade, that greatly needs help if any industry in the world needs it. Our foreign navigation really needs our assistance, yet none is contemplated here.

Do you realize that the amendment to section 11, which the gentleman is so much in favor of, excludes railroad-owned ships from the use of the canal, and this takes away one of the principal classes of competitors in the coastwise business? The committee should know that we not only give this coastwise shipping a monopoly, but we exclude from such monopoly all railroad ships, thereby giving those who are left not only a monopoly, but a greatly restricted monopoly, by excluding all



this strong competition. We give those who are left, a small class, a restricted monopoly, a privilege granted to but few industries in the world. What more do we do? Under the long-and-short-haul section of the interstate-commerce law, as construed by the Interstate Commerce Commission, there will gradually be a system of distance tariffs in this country, and the railroads will be excluded from a very large part of the transcontinental business necessarily, because they can not meet and will not be allowed to meet the canal water rates. Such business will be necessarily thrown upon the canal traffic. The ships using the canal will be obliged to carry that great increase of business thrust upon them. Remember, those ships already have a monopoly, and, in addition, there is excluded a large part of the competition from that monopoly, and then the law in addition will compel a large part of the commerce from coast to coast in this country to use the ships through the canal. We compel that business to seek those ships. No business in the world will have so many favors thrown at it as the coastwise business of the country through the canal. No special interest will be so directly favored by law as this special and favored interest of the coastwise trade.

Next, the testimony shows that these steamship lines—there are practically only two or three—monopolize the business in their spheres. The Atlantic coastwise lines do and will monopolize that business along the Atlantic coast and exclude all competition. The line through the Panama Canal, with their big fleet of ships, will exclude competition exactly as they do now. They have the money, they have the connections, they have the terminals, they have the prestige, and they can easily cut out all competitors, because there is no regulation of them or for them provided by this bill. There is no system of minimum rates; no supervision by the Interstate Commerce Commission. So they can pursue any kind of cutthroat practice for the sake of killing competition and securing this rich field for themselves. The very moment any ordinary competition comes they can and will drop their rates and wipe from the seas any possible competition. And why? The testimony also shows that these same gentlemen who get the benefit of this amendment meet the representatives of railroad companies every time there is a meeting to fix transcontinental rates. Mr. Jackson, of the American-Hawaiian Line, and representatives of the Atlantic coastwise lines meet with the representatives of the transcontinental lines and fix their steamship rates about 20 per cent below the railroad rates—just enough to get what business they want without disturbing any of the transcontinental rates. If you pass the Doremus substitute, you will give them an opportunity to fix their rates, pocket these tolls, and enable them to catch the increase of business and eliminate competition by the failure to regulate them. Yet the plea these gentlemen make for the American merchant marine and for these lines and this system which will completely eliminate and wipe out all business competition and have a restricted monopoly on the sea and follow the railroad rates without reducing them appreciably to the people. That is the crowd you gentlemen are trying to help by free tolls.

Another thing you do is this: You give them free tolls in this same section 5—pay no share of the expenses—and provide they shall have the right to have damages if they are injured under this very section. We pass them through free. We pay the expense of free passage, and yet if they are injured in any way this very section prepares for damages for those very paupers. In every other waterway of the United States they would be obliged to come here for any claims, but you provide here in advance for rewarding and encouraging claims in addition to your subsidy of free tolls. There never has been anything like it in the history of the country. The testimony showed that the tolls on this coastwise trade would be inconsequential, perhaps from 2 to 3 cents a hundred, from 40 to 60 cents a ton. Not one single witness dared to state that that toll would be sufficient to build one single American ship—not one. Not one ship would be constructed on account of free tolls. It would simply be a big bonus to an already bloated and pampered monopoly.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MANN. Mr. Chairman, there is nothing in the criticism which the gentleman from Minnesota [Mr. STEVENS] made in regard to vessels of the United States and its citizens. That provision gives to the President the power to grant preferential tolls to American vessels flying the American flag in foreign commerce, in addition to the free tolls granted by the Doremus amendment to the coastwise trade, and that provision as it reads in the bill was prepared by the President of the United States, O. K'd by the Secretary of War and the Secretary of State, introduced by me into the House, and now for the first

time has met any criticism. It is not subject to the criticism which the gentleman makes, and would not provide for free tolls for any foreign vessels or any vessels flying a foreign flag. [Applause.]

Mr. Chairman, there has been considerable feeling shown in the debate upon this subject, and I have heard gentlemen on one side talk about gentlemen upon the other side being in favor of subsidies and being under control of subsidists, and on the other side gentlemen being controlled by railroad interests. I never have voted myself for a ship subsidy, though perhaps that is a fault rather than a virtue in the minds of many of the gentlemen who have now been urging that this proposition was in the interest of ship subsidy; but if it comes to the question whether we shall decide in this House as between granting the ocean free to the American merchant marine as against the transcontinental railroads and their interests, I am in favor of a free ocean. [Applause.] Everyone knows that the great object which will be attained by the construction of the Panama Canal, if it shall be attained at all, is its effect upon railroad rates in the United States. For every ton of freight that goes through the canal and directly comes under the question of tolls, there will be a hundred or a thousand tons crossing the continent on the railways, and the rate of freight on the railroads will be controlled not only in the transcontinental shipments, but in the intermediate shipments by the rates upon the ship lines passing between New York and Portland, and no one can deny it. [Applause.] It is to the interest of the inland part of the country as well as the coastwise part of the country that we help to control and regulate these freight rates. We may pass laws about interstate commerce commissions and may confer authority as we please, but there is no power so potent in the control of railway rates as rival water lines. [Applause.] And when we construct the Panama Canal and provide in effect the rate of freight between the two oceans we will have determined for all time a regulator of railroad rates in the United States, the beneficial effect of which will go into every hamlet, every village, every city, every home in the land. [Applause.]

The CHAIRMAN. All time has expired. The question is on the amendment of the gentleman from Iowa to the substitute offered by the gentleman from Michigan [Mr. DOREMUS].

Mr. CULLOP. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Iowa [Mr. GOOP] may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. GOOP) there were—ayes 24, noes 99.

So the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Michigan [Mr. DOREMUS].

Mr. SULZER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SULZER. I wish to ask if an amendment to the substitute is now in order?

The CHAIRMAN. It is in order.

Mr. SULZER. I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the substitute of Mr. DOREMUS to section 5 by striking out of line 5, page 1, the words "engaged in the coastwise trade," and inserting in lieu thereof the words "flying the flag"; and on page 2, after the word "less," line 2, strike out the words "other than for vessels of the United States and its citizens."

Mr. SULZER. Mr. Chairman—

The CHAIRMAN. Debate is not in order.

The question was taken, and the amendment was rejected.

Mr. JONES. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Insert after the word "trade," in line 5, page 1, of the Doremus amendment, the words "and vessels of the United States registered in the foreign trade."

Mr. JONES. Mr. Chairman, I desire to say one word—

The CHAIRMAN. Debate is not in order.

Mr. CANNON. Let the amendment be again reported.

The CHAIRMAN. Debate is exhausted—

Mr. CANNON. I do not want to debate, but we failed to catch the amendment.

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

Mr. CANNON. How would it read then?



Mr. JONES. It would read, "No tolls shall be levied upon vessels engaged in the coastwise trade and vessels of the United States registered in the foreign trade." It is so as to include foreign trade.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the Doremus substitute.

The question was taken, and the Chairman announced the Chair was in doubt.

The committee divided; and there were—ayes 91, noes 91.

Mr. DOREMUS and Mr. MANN. Tellers, Mr. Chairman.

Tellers were ordered.

The committee again divided; and the tellers [Mr. ADAMSON and Mr. DOREMUS] reported that there were—ayes 100, noes 90.

The CHAIRMAN. On this proposition the ayes are 100 and the noes are 90, and the substitute is agreed to. [Applause.] The Clerk will read section 11.

The Clerk read as follows:

Sec. 11. That section 5 of the act to regulate commerce, approved February 4, 1887, as heretofore amended, is hereby amended by adding thereto a new paragraph at the end thereof, as follows:

"From and after the 1st day of July, 1913, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or in any other manner) in any common carrier by water with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense."

That section 6 of said act to regulate commerce, as heretofore amended, is hereby amended by adding a new paragraph at the end thereof, as follows:

"Within three months after the taking effect of this act any common carrier subject to the provisions of the act to regulate commerce which, alone or in connection with any other common carrier, transports passengers or property in connection with a water carrier to or from a foreign country from or to any State or Territory of the United States or the District of Columbia and makes or participates in joint through rates for such transportation shall, upon the request of any water carrier engaged in the lake, river, or coastwise trade of the United States, including trade through the Panama Canal, provide like port facilities, connections, and joint through rates from one State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia for and in connection with such water carrier; and the charge for such share of such joint through rate shall be no greater sum of money than such common carrier alone, or in connection with any other common carrier, receives for the same service for transportation of passengers or property in connection with any water carrier to or from a foreign country from or to any State or Territory of the United States or the District of Columbia."

The CHAIRMAN. The Clerk will now report the amendment, which is in the nature of a substitute.

Mr. ADAMSON. This is unanimously reported by the committee.

The Clerk read as follows:

Amend section 11 by striking out all of the section after the word "that" in line 9, page 15, and insert the following:

"Sec. 11. That section 5 of the act to regulate commerce, approved February 4, 1887, as heretofore amended, is hereby amended by adding thereto a new paragraph at the end thereof, as follows:

"From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense."

"Jurisdiction is hereby conferred on the Interstate Commerce Commission to determine questions of fact as to the competition or possibility of competition, after full hearing, on the application of any railroad company or other carrier. Such application may be filed for the purpose of determining whether any existing service is in violation of this section and pray for an order permitting the continuance of any vessel or vessels already in operation, or for the purpose of asking an order to install new service not in conflict with the provisions of this paragraph. The commission may on its own motion or the application of any shipper institute proceedings to inquire into the operation of any vessel in use by any railroad or other carrier which has not applied to the commission and had the question of competition or the possibility of competition determined as herein provided. In all such cases the order of said commission shall be final."

"That section 6 of said act to regulate commerce, as heretofore amended, is hereby amended by adding a new paragraph at the end thereof, as follows:

"When property may be or is transported from point to point in the United States by rail and water through the Panama Canal or otherwise, the transportation being by a common carrier or carriers, and not entirely within the limits of a single State, the Interstate Commerce Commission shall have jurisdiction of such transportation and of the carriers, both by rail and by water, which may or do engage in the same, in the following particulars, in addition to the jurisdiction given by the act to regulate commerce, as amended June 18, 1910:

"(a) To establish physical connection between the lines of the rail carrier and the dock of the water carrier by directing the rail carrier to make suitable connection between its line and a track or tracks which have been constructed from the dock to the limits of its right of way, or by directing either or both the rail and water carrier, individually or in connection with one another, to construct and connect with the lines of the rail carrier a spur track or tracks to the dock. This provision shall only apply where such connection is reasonably practicable, can

be made with safety to the public, and where the amount of business to be handled is sufficient to justify the outlay.

"The commission shall have full authority to determine the terms and conditions upon which these connecting tracks, when constructed, shall be operated, and it may, either in the construction or the operation of such tracks, determine what sum shall be paid to or by either carrier. The provisions of this paragraph shall extend to cases where the dock is owned by other parties than the carrier involved."

"(b) To establish through routes and maximum joint rates between and over such rail and water lines, and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced."

"(c) To establish maximum proportional rates by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates shall apply. By proportional rates are meant those which differ from the corresponding local rates to and from the port and which apply only to traffic which has been brought to the port or is carried from the port by a common carrier by water."

"(d) If any rail carrier subject to the act to regulate commerce enters into arrangements with any water carrier operating from a port in the United States to a foreign country, through the Panama Canal or otherwise, for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railway to enter into similar arrangements with any or all other lines of steamships operating from said port to the same foreign country."

The orders of the Interstate Commerce Commission relating to this section shall only be made upon formal complaint or in proceedings instituted by the commission of its own motion and after full hearing. The orders provided for in the two amendments to the act to regulate commerce enacted in this section shall be served in the same manner and enforced by the same penalties and proceedings as are the orders of the commission made under the provisions of section 15 of the act to regulate commerce, as amended June 18, 1910, and they may be conditioned for the payment of any sum or the giving of security for the payment of any sum or the discharge of any obligation which may be required by the terms of said order.

Mr. MANN. Mr. Chairman, I make the point of order that the amendment is not germane to the bill and is not germane to the section to which it is offered as a substitute.

The CHAIRMAN. Will the gentleman from Illinois be kind enough to state his point of order again?

Mr. MANN. The bill, which is "A bill to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone," contains section 11, which is a section to amend two sections of the interstate-commerce law. Section 11 in the bill is, of course, itself not germane to the bill, but that section is in the bill. That section proposes to amend section 5 of an act to regulate commerce by making certain additions to section 5 as a new paragraph in reference to the ownership of railways or common carriers of water lines and stops there. The amendment which is now offered proposes in addition to that to confer certain authority upon the Interstate Commerce Commission to determine questions of fact, authorizing the commission to institute proceedings, authorizing the commission to make certain determinations. Now, section 11 of the bill, although contained in the bill, and although having no relation to the subject matter of the bill, may be in order because it is in the original; but, certainly, when it comes to amending that, gentlemen can not go beyond the scope of the provisions in the original bill. No part of this matter relates to the subject matter of the bill and the general purpose of the bill, and when gentlemen seek to amend section 11 it seems to me they must confine themselves to matters relating to the subject matter of section 11. It does not in any way relate to the Interstate Commerce Commission or to any powers conferred upon that commission. The amendment proposes to confer power upon the commission, to authorize the commission to institute proceedings, a matter which is not in the bill at all, and I think where the gentleman introduces a bill and injects foreign matters into it that when it comes to amending the bill it ought to be confined to the provisions of the bill and not allowed to wander over the entire face of the earth.

Mr. MARTIN of Colorado. Mr. Chairman, I think a lot of gentlemen over here did not distinctly understand the gentleman from Illinois, and I wish to inquire to what provisions of the substitute to section 11 does he object.

Mr. MANN. I am not objecting to anything; I make the point of order.

Mr. STEVENS of Minnesota. Mr. Chairman, I wish to discuss the point of order.

Mr. MARTIN of Colorado. Mr. Chairman, for information I would like to know what the gentleman makes his point of order on.

Mr. STEVENS of Minnesota. Mr. Chairman, I wish to discuss the point of order.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. STEVENS of Minnesota. Mr. Chairman, the point of order is made that the substitute offered by the committee is not germane to section 11 in the bill, and in addition the point of order is made that section 11 in the bill is not germane to



the general scope of the bill, but since it is in the bill it is in order. The Chairman will notice that section 11 in the bill contains the substance of the provision which was contained in the bill offered by the gentleman from Illinois himself excluding railroad-owned ships from the canal.

Mr. MANN. My bill did not propose that at all.

Mr. STEVENS of Minnesota. The general subject of section 11 is the use of the canal by a certain class of railroad-owned ships. The general subject in the amendment and in the bill offered by the gentleman from Illinois was identically that same thing, regulating the use of the canal by railroad-owned ships, so that if it be admitted that a bill regulating the use of the Panama Canal can regulate its use by a certain class of vessels, like railroad-owned ships, then section 11 is clearly within the scope of this bill to regulate how the canal shall be used, how it shall be used to promote the commerce of this country, or how it shall be used to prevent any disadvantage to the commerce of the country, and so it is within the general scope of the legislation sought.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. MANN. What provision is there in the bill amending section 5 of the interstate-commerce act that relates in any way whatever to the Panama Canal?

Mr. STEVENS of Minnesota. If the gentleman will wait, I am getting to that rapidly.

Now, if it be admitted that the general scope of the legislation is such that this bill has a right to regulate how the canal may be used, what classes of vessels it is desirable to exclude, what classes of vessels it is desirable to include, then, as I said, section 11 is in order. Now, if section 11 is in order, it is in order to make it conform to existing law of the United States with reference to the subject of interstate commerce.

Now, it is known by everybody—as a matter of fact, it is of common knowledge, and the Chairman and the Members must take notice of such fact—that a great many of the railroad companies of the United States own water lines used in connection and in competition with themselves as a part of the business of transportation. That is a matter of common knowledge of which the Chair is bound to know and we are bound to know. The Chair will know also that under the law as it exists, that whenever one of those water lines makes a through rate or traffic connection with a railroad that water line comes under the operations of the interstate-commerce law and within the control of the Interstate Commerce Commission.

Now, the first part of the committee amendment does exactly the same thing. It provides in substance that a water carrier, one of the water carriers that is owned by a common carrier, subject to the interstate law, is brought within the operation and in the use of the canal itself. It is known, and the testimony before the Committee on Interstate and Foreign Commerce and laid before this House shows, that one of the prominent classes of vessels which will use this canal is composed of those that are owned by railroads under the control and operation of the interstate-commerce law; and those water carriers come under the operation of that law.

Now, this amendment does just this and no more. It attempts to control, to regulate, to bring within the terms of the existing law, those water carriers which use the Panama Canal. Now, in controlling those water carriers it was deemed advisable and necessary by the committee that in controlling those which use the Panama Canal at the same time to include the water carriers which would come within that general class elsewhere in the country. In other words, the language of the first part of the committee amendment covers the water carriers using the Panama Canal and all other water carriers of the same class elsewhere engaged in interstate commerce. That class of carriers using the canal is within the scope of that language and so within the scope of the bill, and, being within the scope of the bill, is entirely germane to it.

The gentleman speaks about conferring powers upon the Interstate Commerce Commission. We do not, in fact, and properly, confer any new power upon the commission. The law provides in substance that vessels owned by railroads competing with themselves in interstate commerce are excluded from the use of the canal. That is the substance of the first part of that amendment. How shall that question of fact be determined as to whether or not a vessel owned by a railroad line is, as a matter of fact, competing with itself in interstate commerce. It is a question of fact that has to be determined some way. The bill, in order to prevent confusion, ought to prescribe how that question of fact ought to be determined, and so the language of this amendment itself does prescribe that that question of fact shall be determined by the Interstate Commerce Commission. Suppose we had decided that question of fact should be determined by the governor of the canal,

nobody can doubt that that would be germane now, would doubt that would be entirely proper, but instead of that we preferred to put the determination of the question of fact with that official body which knows the most about the subject, which could determine it the easiest and fairest and quickest and have the means at command to determine. So, instead of providing for the determination of that question of fact by the governor of the canal, we provide that it should be done by the Interstate Commerce Commission.

The CHAIRMAN. The Chair is of the opinion that this amendment is germane to section 11, and therefore overrules the point of order.

Mr. ADAMSON. I think we are all tired of oratory, and, therefore, I move that all debate on this substitute and amendments thereto close in 15 minutes.

Mr. BURLERSON. Make it five minutes.

The CHAIRMAN. If the gentleman from Georgia will permit, the Chair will state that there are two or three amendments to be offered first, and if they are disposed of there will be no trouble.

Mr. JONES. I would suggest 30 minutes. Gentlemen want to get home, but this other section was debated for three hours, and this section 11 is of more importance.

Mr. BURLERSON. Make it five minutes.

Mr. ADAMSON. I will suggest 25 minutes.

Mr. SHERLEY. There is a question before the House.

Mr. ADAMSON. Mr. Chairman, I move to close debate on section 11 in 25 minutes. Of course, I do not want to cut off any amendments.

Mr. BURLERSON. Make it 20 minutes.

Mr. ADAMSON. Let them have 25 minutes.

Mr. MANN. Let them have 20 minutes.

Mr. YOUNG of Kansas. Let them have the whole day.

Mr. ADAMSON. Mr. Chairman, I will change the time of my motion to 25 minutes on the—

Mr. SHERLEY. I hardly think that motion is in order. We have had some debate.

Mr. ADAMSON. Mr. Chairman, then I ask unanimous consent that after 25 minutes of debate we vote on the section and amendments thereto.

Mr. BROUSSARD. I understood this morning in the committee that we should get about 40 minutes on a side on section 11.

Mr. ADAMSON. Does the gentleman think he needs that much? I think everybody understands it.

Mr. BROUSSARD. I think we do.

Mr. ADAMSON. How about 20 minutes on a side?

Mr. BROUSSARD. Forty minutes on a side. [Cries of "No!"]

Mr. MANN. Make it 20 minutes on a side, not to include the time taken in voting.

Mr. ADAMSON. All right; make it 20 minutes on a side.

Mr. BROUSSARD. Mr. Chairman, I would like to know how this time is going to be controlled.

Mr. JONES. I would like to know what is meant by 20 minutes on a side. I have an amendment that I would like to offer.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that all debate on this section and amendments that may be offered thereto shall be limited to 40 minutes—eight five-minute speeches.

Mr. JONES. If I can have an understanding that I can have five minutes, I will not object.

Mr. ADAMSON. If the advocates of the bill can have half of the time, I have no objection.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROUSSARD. Mr. Chairman, I would like to have the amendment reported first.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana [Mr. BROUSSARD].

The Clerk read as follows:

Mr. BROUSSARD offers the following amendment to the substitute offered by Mr. ADAMSON:

Page 1, strike out lines 1, 2, 3, 4, 5, 6, and in line 7, before the word "from," insert "section 11." Same page, lines 7 and 8, strike out the words "the 1st day of July, 1914," and insert in lieu thereof the words "opening of the Panama Canal."

Same page, lines 14, 15, 16, and 17, strike out the words "with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense," and insert in lieu thereof "engaged in interstate commerce through the Panama Canal, and it shall be the duty of the President to exclude any such ship of commerce from the canal."

Same page, strike out lines 18, 19, and 20, also all of page 2, all of page 3, all of page 4, and all of page 5, and in lieu thereof insert: "That from and after the opening of the Panama Canal no ship engaged in interstate commerce which is owned, leased, controlled, or operated by any person, firm, association, or corporation engaged in



any agreement, combination, ship ring, or conference with reference to rates, ports, routes of traffic, rebates, or terminal facilities, shall be permitted to engage in interstate trade through said canal, and it shall be the duty of the President to exclude every such ship of commerce from the canal.

"That any officer or agent of any railroad company or corporation, or any officer or agent of any ship or shipping company, or any other person whatsoever, who is a party to any violation of this section, or who knowingly violates or who permits any violation thereto, shall be punished for each offense by a fine of not more than \$10,000 or less than \$1,000, or by imprisonment not exceeding five years, or by both such fine and imprisonment, in the discretion of the court having jurisdiction thereof."

So as to make the section read as follows:

"SEC. 11. From and after the opening of the Panama Canal it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever, by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner, in any common carrier by water engaged in interstate commerce through the Panama Canal. And it shall be the duty of the President to exclude any such ship of commerce from the canal.

"That from and after the opening of the Panama Canal no ship engaged in interstate commerce which is owned, leased, controlled, or operated by any person, firm, association, or corporation engaged in any agreement, combination, ship ring, or conference with reference to rates, ports, routes of traffic, rebates, or terminal facilities shall be permitted to engage in interstate trade through said canal, and it shall be the duty of the President to exclude every such ship of commerce from the canal.

"That any officer or agent of any railroad company or corporation or any officer or agent of any ship or shipping company or any other person whatsoever who is a party to any violation of this section or who knowingly violates or who permits any violation thereto shall be punished for each offense by a fine of not more than \$10,000 or less than \$1,000, or by imprisonment not exceeding five years, or by both such fine and imprisonment, in the discretion of the court having jurisdiction thereof."

Mr. ADAMSON. Who offers the amendment?

The CHAIRMAN. The amendment is offered by the gentleman from Louisiana [Mr. BROUSSARD].

Mr. ADAMSON. I thought he offered a substitute.

The CHAIRMAN. The gentleman from Louisiana [Mr. BROUSSARD] is recognized.

Mr. BROUSSARD. Mr. Chairman, the first objection to the proposition submitted by the committee as a substitute for the provision in the bill is that the substitute proposes to legislate an amendment into the interstate-commerce act. I do not believe that we ought to engage in legislation by indirection. If the interstate-commerce act requires amendment, a bill ought to be brought for that purpose upon the floor and discussed upon its own merits.

The second objection to it is that gentlemen who have opposed free tolls through the canal have contended that our section 5 was the granting of a subsidy to the steamship combines engaged in the coastwise trade.

This amendment contemplates the exclusion of any steamships from the canal owned in whole or in part by any railroad and the exclusion from the canal of any steamships engaged in any combine of any kind whatsoever with the object to charge additional freight upon traffic. It is intended by this amendment to the substitute to make this canal the canal of the American people and not the canal of combines by railroads or by steamships anywhere in this country.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BROUSSARD. I have but five minutes, and I regret I can not yield.

It is intended by this provision to make this canal a canal of the American people until at least it is proven that the American people can not manage the canal with interest to themselves, and when the time shall come that the canal can not be operated in the interest of the American people, then it will be time enough for us to give it to the railroads, or give it to the steamship combines, or give it to somebody else who can manage it in their interest and maintain its integrity as it was intended when we undertook the construction of it.

But, so far as I am concerned by this resolution, I want to emphasize the fact that those of us who at least have been opposed to putting tolls upon commerce between the States carried by ships going through the canal, delivering freight from one State to another, insist that it shall not be carried by any combination that shall tend to increase the freight rates upon traffic. I want the ship that leaves San Francisco or New Orleans, upon which we have remitted the toll charge, not to be in combination with other lines of steamships engaged in the same trade, and not to be in the control of railroads interested in competing with these steamships in order to suppress independent lines engaged in the same business.

I believe that this canal ought to be managed, in view of the large expenditure which it has entailed, in the interest of all the people. It should not be managed with a view to conferring favor and profit upon railroad companies, whose business it is to carry freight upon land and not upon water, and it ought not to be managed in behalf of any combination of steamship

lines engaged in competition with the railroads; but it should be, as we intended it to be, a water route to compete with every railroad carrying freight from the Atlantic to the Pacific, reacting in its charges upon every section of the country lying between the two great ranges of mountains on either side of this Continent.

This proposition is simply to prevent steamships engaged in supposed competition with railroads, owned by the railroads themselves, to exclude competition from independent lines that might engage in the traffic along the coast of this country. It is intended further to prevent steamship companies engaging in combinations by which they can increase the freight rates either in their own interest by combination, or in the interest of railroads that they are supposed to compete with after the opening of the canal. [Applause.]

Mr. CANNON. Mr. Chairman, a parliamentary inquiry, or, rather, a question. Is the amendment offered by the gentleman from Louisiana offered for the first time, or is it in print?

Mr. BROUSSARD. It is not in print.

Mr. PETERS. Mr. Chairman, I rise to favor the amendment to the bill before us, offered by the gentleman from Louisiana [Mr. BROUSSARD], and to protest against the passage of the act with section 11 as the committee desire to amend it. I wish particularly to call the attention of the House to what will be accomplished should the bill as amended by the committee become a law.

The title of this bill is "A bill to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone," yet under the bill as the committee proposes to amend it we would add an amendment to the interstate-commerce act which would affect not only vessels going through the canal, but affect the shipping and transportation facilities of a large section of the United States.

The committee amendment raises a question which is not sectional, nor does it alone affect the transportation companies. It affects the producer and the manufacturer and the shipper.

The amendment to section 11 of this bill, as offered by the committee, provides:

\* \* \* It shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatever \* \* \* in any common carrier by water with which such railroad or other carrier aforesaid does or may compete for traffic, and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

Mr. ADAMSON. Mr. Chairman, I could not hear what is going on very well over here, but I am told that two gentlemen are pleading in favor of one amendment. That is out of order. There ought to be a speech for the amendment and one in reply, and then a vote.

The CHAIRMAN. The gentleman from Massachusetts was recognized because he was the only Member asking for recognition. The Chair will recognize a Member in opposition immediately following the gentleman from Massachusetts.

Mr. PETERS. Mr. Chairman, the transportation system of New England has been developed by through routes by rail and water, both owned by the same companies. This amendment, which makes it unlawful for railroads to own competing vessel lines, comes as a complete surprise to the shippers in my part of the country. The subject has no necessary connection with the Panama Canal. In none of the hearings held before the House Committee on Interstate and Foreign Commerce was it mentioned, much less urged. The arguments before the committee upon railroad-owned ships were confined to keeping them out of the canal.

The substance of section 11 first appeared in House bill 21889, introduced March 14, 1912, by Mr. COVINGTON, of Maryland. It was entitled "A bill to amend the act to regulate commerce," and so forth.

On March 15, 1912, being the following day, Mr. ADAMSON introduced House bill 21969, in which Mr. COVINGTON's bill appeared as section 11. March 16, 1912, House bill 21969 was committed to the Committee of the Whole House and ordered to be printed. There was no time or opportunity to be heard in opposition to this section, although months had been given to all interested to appear before the committee and be heard upon the rest of the bill.

Section 11 introduced for the first time a radical change in the industrial, commercial, and transportation policy of the country, and it is now sought to be enacted into law without giving the committee the benefit of any information as to its effect upon industries of the country. It would be as unreasonable to compel the railroads to sell their water lines because traffic would compete with their rail lines, as to make railroad companies dispose of a part of their system which operated lines that competed with another part.



The portion of section 11, if enacted into law, will radically change the method of doing business in New England and reverse a policy which in history has grown up naturally and proved to be the proper method of handling commodities between New England ports and other ports on the Atlantic coast.

The natural growth of the common ownership and cooperation between railroads and water carriers is seen in the following brief historical sketch, which shows that the rail and water transportation forms continuous lines:

#### HISTORY OF NEW ENGLAND RAILROADS.

The Fall River Line, running from New Bedford and Fall River, respectively, to New York City, was organized and the vessels thereof were built by the Old Colony Railroad Co. in 1874. At that time the Old Colony Railroad Co. operated between Boston and Fall River and Boston and New Bedford. It built the steamboats of the Fall River Line in order to carry freight and passengers between New York and Boston. In 1892 the Old Colony Railroad Co. was leased to the New York, New Haven, & Hartford Railroad Co., and the Fall River Line was a part of the leased property.

The Providence & Stonington Line was built by the New York, Providence & Boston Railroad Co. in 1873. Its steamers ran between Providence and Stonington on the one hand and New York City on the other. It was the means by which the Boston & Providence Railroad Co. operated between Boston and Providence, and the New York, Providence & Boston operated between Providence and Stonington, reached New York City. These companies by lease came into the control of the New York, New Haven & Hartford Railroad Co. in 1892, at about the same time the Old Colony Railroad Co. lease was made.

The Norwich Line was built by the Norwich and Worcester Railroad Co. in 1860. It was the means by which the Norwich & Worcester Railroad Co., operating between Norwich and Worcester, reached New York City.

The Norwich & Worcester Railroad Co. was eventually leased to the New York and New England Railroad Co., operating between Boston and Putnam, Conn., and the New York & New England Railroad Co. in 1898 leased to the New York, New Haven & Hartford Railroad Co.

The New Haven Steamboat Line began in 1824, running between New Haven and New York City. It formed a through route in connection with stagecoaches and freight wagons between New York City, New Haven, and Hartford, Conn., and Springfield, Mass.

Upon the construction of the Hartford & New Haven Railroad Co., running between New Haven, through Hartford to Springfield, the New Haven Steamboat Line continued to operate as a through line in connection with said railroad and for several years retarded the building of a rail line between New Haven and New York City, because the proposed railroad could not compete with the steamboats of the New Haven line and it was not thought that such a rail line would pay. In fact, whereas the north and south line between New Haven and Springfield was built in 1834, the line between New Haven and New York was not built until 13 years later, 1847.

The Bridgeport Line was one of the earliest steamboat lines to come into existence after Fulton's invention of the steamboat.

For many years prior to the building of the Hudson River Railroad it run between New York and Bridgeport and carried the mails between New York and Albany via the Housatonic Railroad Co. and the Boston & Albany Railroad Co.

The New York, New Haven & Hartford Railroad Co. originally consisted of the Hartford & New Haven Railroad Co., before mentioned, and the New York & New Haven Railroad Co. They were consolidated in 1872. The other rail lines were gradually absorbed by lease or consolidation, until 1892 there was for the first time an all-rail line under common control between New York and Boston.

It will be seen that originally each of the steamboat lines was a coadjutor of a rail line. They became competitors only when the various rail lines came under a common control and formed a through line between New York and the various Long Island Sound and Narragansett Bay ports herein mentioned.

These lines have produced and developed traffic which all shipping to and from New England follows:

West bound, they carry from the various ports and from interior points the finished products of the New England cotton, woolen, brass, hardware, and other manufacturers. They deliver same to the various docks at the southern end of Manhattan Island contiguous to the wholesale district of New York City, where each of these commodities is handled. Goods presented for shipment in the afternoon are delivered in New York early the following morning. If, instead of going by boat

they are shipped all-rail, delivery in New York is necessarily delayed because the New York, New Haven & Hartford Railroad Co.'s rail terminals in New York City are on the north side of the Harlem River, whence cars must be unloaded of their contents or floated to the various New York piers.

#### WATER LINES PREFERRED.

In any case there is a delay beyond the time required for handling them by water. The water lines are, therefore, preferred by New England manufacturers to the rail lines, and many protests have been filed by chambers of commerce and manufacturers' associations against a compulsory discontinuance of this method of doing business.

If the New Haven road is required to dispose of its steamboats, it naturally will carry all-rail as much traffic as possible, with a resulting delay to the shippers.

Eastbound the water lines receive from the railroad terminating on the west side of the North River and from coastwise steamship companies raw materials, such as cotton, wool, pig iron, and copper, and carry it to Long Island Sound and Narragansett Bay ports for shipment to the interior.

In times of congestion of traffic, which frequently happens, even upon the four or more tracks running between New York and Boston, the New Haven road is able to divert to the water lines shipments which otherwise it could not handle expeditiously.

It will thus be seen that this traffic has grown up in a natural way without thought of or attention to competitive conditions, and that it is to the interest of New England that it should continue.

Mr. HIGGINS. I want to interrupt the gentleman for a suggestion, that what the gentleman has said about the New York, New Haven & Hartford road applies equally well to the Grand Trunk Railroad.

Mr. PETERS. Certainly. I understand, through the newspapers, that it is proposed to run a new line by the Grand Trunk Railroad into the city of Providence, and then that railroad is to run steamboats into New York City. The commercial bodies and shippers in New England are unanimous in opposition to the change proposed in this bill. The directors of the port of Boston passed resolutions on April 11, 1912, which I wish to submit to the committee:

#### DIRECTORS OF PORT OF BOSTON.

At a meeting of the directors of the port of Boston April 11, 1912, the following statement was adopted as the opinion of the directors of the port of Boston concerning a proposed amendment to section 5 of the interstate-commerce act, contained in section 11 of the Panama Canal bill, No. 21969, and it was voted that a copy of this vote be sent to each member of the Massachusetts delegation in Congress.

The Panama Canal bill reported to the House of Representatives, Congress of the United States, as House bill No. 21969, contains in section 11 an amendment to section 5 of the interstate-commerce act, as follows:

"From and after the 1st day of July, 1913, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or in any other manner) in any common carrier by water with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense."

This is followed by a provision, in substance, that any railway controlling a water carrier engaged in foreign trade and having through rates and facilities with it shall, upon request, provide like port facilities, connections, and joint through rates for and in connection with any water carrier engaged in the lake, river, or coastwise trade of the United States, including trade through the Panama Canal.

The enactment of such legislation would be detrimental to the port of Boston and to the transportation of both passengers and commodities of the Commonwealth. It is certainly unwise as an incident to the regulation of traffic through the Panama Canal to enact a drastic change affecting transportation facilities and methods whose development in New England covers a century, where the connection of steamship lines and their control by railroads is as old as the construction of the railroads themselves. This bill commands the disruption of serviceable and efficiently operated transportation systems involving, if the compliance of law is to be more than in form, the sale of valuable properties, probably in many cases at a loss, many of which can not be operated independently with the same degree of efficiency as at the present time.

Such legislation threatens to place American railway interests under a severe handicap in competition with Canadian railways. It has been the distinct policy of the Canadian Government to encourage and assist its railways in the development of steamship facilities. A provision having this in view is incorporated in the contract of July 29, 1903, between the Dominion Government and the Grand Trunk Pacific Railway Co.

At the hearings before the Committee on Interstate and Foreign Commerce it was testified that "the entire transportation of Canada with England and Japan is in the hands of the Canadian Pacific Railroad. They are one of the largest ship-owning companies on the Continent of North America, and they are closely followed by the Grand Trunk."

Considering the vast extent of the financial assistance given by the Canadian Government to its railroads and the distinct tendency of its policy regarding steamship connections up to this time, there is no indication that the early future will see any change of policy in this regard. The result of the proposed restriction of American railways therefore may be a severe discrimination against them.



*It is not suggested that our Government should in any way change its policy in the direction of restricting our railways in the ownership or control of vessels engaged in the foreign carrying trade, whether through the Panama Canal or not. That such ownership or control, especially on the Pacific Ocean, has been much to the benefit of our foreign commerce is not denied.*

It is obvious that in many cases the enterprise of a railway company in establishing foreign steamship lines might depend, to a great extent, upon its opportunities for operating domestic steamship lines in connection with them. The use of common wharf facilities, the stopping at domestic ports of foreign-bound vessels, and other factors might have an important bearing; yet it is proposed in this legislation to deny to our railroad companies the privilege of operating such lines—a restriction which may operate, as indicated, in very undesirable ways as respects our foreign commerce.

The argument which has apparently brought about this amendment to the interstate-commerce law is the fear that railroad owned or operated vessels will be in a position to control coast traffic through the Panama Canal. These arguments allege that railway companies would be in a position to, by drastic reductions in rates, drive independent competitive lines out of business, and also wherever railroad companies own or control steamship lines it is the tendency for rates on such lines to be finally adjusted at a level above the normal for water carriage.

It is believed that this danger is not a serious one and, moreover, it could be entirely obviated by giving certain discretionary powers to the canal administration.

Hon. Henry L. Stimson, Secretary of War, said in his testimony before the committee: "My own opinion is that to simply prohibit lines which were partly owned or controlled by railroad lines from using the canal or to discriminate against them would be an ineffective remedy. I do not believe in it myself. I have seen it tried in the case of competing railroads, and our experience has been that it has never worked. I am pleased to say that the President, who last year (1911) recommended that, on further reflection has changed his view and does not think now that it would be the most effective way of treating the problem. Col. Goethals has expressed himself to the effect that this legislation is not necessary, and that any difficulties can be met when they arise."

In imposing the restriction in question upon railroads in respect to "any common carrier by water with which said railroad" does or may compete for traffic, the proposed law is vague and indefinite. It does not state what circumstances constitute competition. It makes no distinction between a case such as that of the Long Island Sound lines, operating between the same points as the controlling railroad, and steamship lines which might possibly be considered competitive in a sense, because forming a small connecting link in a long through route of which the controlling railroad is also a part. The result of this vagueness might be to forbid the establishment of a steamship line which in the promotion of foreign or domestic trade would be of great public benefit. The proposed new steamship line of the Grand Trunk from Providence to New York is a case in point.

*In attempting to discourage monopoly of domestic traffic by placing this restriction upon the railroads, the law could easily have the effect of fostering and promoting steamship monopoly, since it would be forbidden for a railroad to establish a steamship line in competition with existing independent lines; also the law certainly would not restrict and might promote industrial monopoly through the control by large corporations of steamship lines.*

The Standard Oil Co. operates a large fleet of American and foreign vessels. The Steel Corporation has a large fleet on the Great Lakes.

The proposed legislation wholly overlooks many important public advantages resulting from the control and operation of coastwise steamship lines by strong railroad companies. As was, by implication, admitted by Mr. Wheeler, such lines provide in many cases excellent passenger facilities and in convenient connection with trains, the two services perhaps actually connecting on the wharf. They facilitate railway operations by taking, to a considerable extent, the heavy freight. In some cases there are peculiar advantages. For example, the New England Navigation Co., controlled by the New York, New Haven & Hartford, can deliver freight directly to the lower part of New York City, while the railway lines must leave their freight at points far up town.

The competition between railroads and their controlled steamship lines is not necessarily or without qualification mock, as stated in the majority report of the committee. While the relations are necessarily close and friendly, the rates and service on the steamship line are governed by actual or potential competition of other steamship lines, involving, of necessity, some actual competition between rail and boat.

The policy embodied in this legislation must have a strong tendency to stultify enterprise, to stand in the way of large and important undertakings having the backing of strong financial interests. That it is not good policy to hamper enterprise in this manner is evidenced by the aggressive opposite policy of the Canadian Government above referred to and by the passive approval by our own Government of the enterprise of railways in the foreign carrying trade.

It has been suggested that, instead of an outright prohibition such as proposed, there be some discrimination against steamship lines in domestic trade controlled by railroads by way of tolls not exacted from independent steamships or higher tolls. This policy is open to most of the same objections, and it may be noted that our Government passes all vessels through the Sault Ste. Marie Canal without toll, though many of these vessels on the Great Lakes are controlled by railroads, while many others are controlled by industrial corporations.

In this case we follow the policy of the Canadian Government at the same point, canal facilities being also freely interchanged between the two countries.

It has been urged that the restriction proposed might foster steamship monopoly by forbidding the establishment of competitive lines by railroads. It is also true that this policy might foster monopoly by certain railroad systems by preventing the establishment by one railroad of steamship lines to enable it to compete with another railroad or to make more advantageous through rates. The terms of the act do not appear to be intended as applying to steamship lines which are extensions of railway systems rather than duplications of existing service; but in view of the indefinite terms of the act it is a grave question whether the restriction would not sometimes have the effect suggested. Supposing, for example, that the Pennsylvania Railroad proposed to establish a line of steamships from New York to Boston, but would do so only if able to make stops at certain Long Island points. Inasmuch as this company controls the Long Island Railroad, such stops on Long Island might be held illegal, and thus Boston might fail to receive the benefit of an additional steamship line. On the other hand, the Pennsylvania Railroad might legally operate the South lines,

whereas it would be more to our advantage to have them operated by a railroad subject to some local control.

The difficulty of enforcing to the full any prohibition of ownership or control such as proposed is well known. In view of this, the restriction might operate as a severe discrimination, some railway systems being in a position to conceal their ownership or control while others could not do so.

Railroads, in some instances, may operate connecting steamship lines without profit or at a loss, owing to their value as "feeders" or through connections. It can not be expected that such lines could be operated by independent capital. It is claimed, for example, that the Merchants & Miners Transportation Co., controlled by the New York, New Haven & Hartford, is not in itself profitable. This line is of great value to Boston in many ways; among others, in protecting the New England differential basis in traffic with the West. It also provides valuable passenger facilities.

The proposed legislation would also involve danger of public injury in regard to through rates. The interstate-commerce law does not compel a railroad to join in the making of a through rate unless the route to which such a rate applies embraces substantially the whole length of the rail lines of the company. A railroad, however, should be willing to join in through rates on a route embracing part of its rail lines, together with steamship lines which it controls, especially if such route were to be in competition with some other through route. As an example, the instances might be cited of the differential through rate made by the New York, New Haven & Hartford Railroad on westbound traffic from New York in connection with its Sound steamship lines. Prohibition of the control of these lines by the New York, New Haven & Hartford might deprive the public of the benefit of such differential.

Having already severely restricted the railroads in reduction of rates to meet water competition, it is now proposed that Congress by this legislation shall forbid the railroads to protect themselves even by owning or controlling water carriers. This seems a hardship in any fair consideration of the case.

It is to be remembered that even in the restricted way in which Congress does permit the lowering of railway rates to meet water competition the fact is recognized that such competition may be a most serious menace to such railroads and their security holders, not to speak of the public, which depends upon their efficient service.

It is also to be remembered that for a railroad to stand in the way of independent water competition is not an easy matter. The use of water routes can not be limited, and only in the case, which should be guarded against, of a railroad having complete monopoly of dock facilities can it become very difficult for independent lines to be established.

It may be freely conceded that all actions of a railroad tending to deny to independent companies proper and fair facilities for their service and equal treatment in switching charges and similar matters should be vigorously opposed by the proper public authorities.

#### SUMMARY.

The directors of the port of Boston regard section 11 of the Panama Canal bill (H. R. 21969), which forbids railroads from being interested in water lines, wherever located, which compete or may compete, as detrimental to the port of Boston and the State of Massachusetts.

The bill would disrupt valuable transportation routes of many years standing, such as the Long Island Sound lines, which have no reference to the Panama Canal.

It would place American railways under a severe handicap compared with Canadian railways, which are encouraged to go into the steamship business.

The danger feared—the detrimental control by railroads of coast traffic through the Panama Canal—can be avoided in other ways, as, for instance, giving the canal administration certain discretionary powers.

It would tend to restrict the development of steamship lines as parts of competitive routes.

It might promote rather than prevent monopoly of steamship service. It overlooks the important public advantage resulting from control of coastwise lines by strong railroad companies in protecting rates through offering differential routes.

Water transportation can be monopolized only if dock facilities are monopolized, which is the essential thing to be guarded against.

I wish also to submit copy of a protest filed by New England manufacturers:

COPY OF PROTEST FILED BY NEW ENGLAND MANUFACTURERS.

APRIL 27, 1912.

We, the undersigned, being actively interested in the manufacture of cotton goods in New England, understand that the Covington amendment, so called, to the bill now before Congress regulating the passage of vessels through the Panama Canal, provides that "it shall be unlawful for any railroad company or other common carrier, subject to the act to regulate commerce, to own, lease, operate, control, or have any interest whatsoever, directly or indirectly, in any common carrier by water with which said railroad does or may compete for traffic."

We believe in the regulation of common carriers by the Government. We do not, however, believe in such restriction or limitation of investment in or the development of steamship lines or coastwise trade generally as this amendment provides.

We deem it especially important for the great industries of New England, that under proper restrictions, railroads should be allowed to develop and maintain transportation by water. This is of the utmost importance in the transportation of the freight to and from New England points and the South, especially in connection with the cotton industry.

We believe that, with the opening of the Panama Canal, it is of the greatest importance that there shall be adequate transportation facilities by water between New England and the Gulf cities.

Therefore we protest against the adoption of the Covington amendment to the Panama Canal bill as unnecessarily impeding the development of transportation by water, and as thus retarding the development of New England's commerce with southern and Pacific ports, and we urge New England Congressmen to do everything in their power to defeat this amendment.

MASSACHUSETTS COTTON MILLS, Lowell, Mass.,

By ARTHUR T. LYMAN, President.

BOSTON MANUFACTURING CO., Waltham, Mass.,

By RONALD T. LYMAN, Treasurer.

WHITTENTON MANUFACTURING CO., Taunton, Mass.,

By RONALD T. LYMAN, Treasurer.

SALMON FALLS MANUFACTURING CO., Salmon Falls, N. H.,

By RONALD T. LYMAN, Treas.

PACIFIC MILLS, Lawrence, Mass., and Dover, N. H.,

By EDWIN FARNHAM GREENE, Treasurer.



A similar protest was filed by certain other New England manufacturers on April 22, 1912. I append a list of the names of the companies signing it:

Amoskeag Manufacturing Co., Manchester, N. H.; York Manufacturing Co., Saco, Me.; Lawrence Manufacturing Co., Lowell, Mass.; Everett Mills, Lawrence, Mass.; Lyman Mills, Holyoke, Mass.; New England Cotton Yarn Co., New Bedford, Mass.; Farwell Bleachery, Lawrence, Mass.; Tremont and Suffolk Mills, Lowell, Mass.; Pepperell Manufacturing Co., Biddeford, Me.; Great Falls Manufacturing Co., Somersworth, N. H.; Newmarket Manufacturing Co., Newmarket, N. H.; Dwight Manufacturing Co., Chicopee, Mass.; Suncook Mills, Suncook, N. H.; Bates Manufacturing Co., Lewiston, Me.; Edwards Manufacturing Co., Augusta, Me.; Nashua Manufacturing Co., Nashua, N. H.; Cheney Bros., South Manchester, Conn.; Boott Mills, Lowell, Mass.; Hamilton Manufacturing Co., Lowell, Mass.; Sharp Manufacturing Co., New Bedford, Mass.; Warwick Mills, Centerville, R. I.; Lancaster Mills, Clinton, Mass.; Davol Mills; Stevens Manufacturing Co., Fall River, Mass.; Merchants' Manufacturing Co.; American Linen Co., Fall River, Mass.; Pocasset Manufacturing Co.; Wampanoag Mills, Fall River, Mass.; Narragansett Mills, Fall River, Mass.; Weetamoe Mills, Fall River, Mass.; King Philip Mills; Tecumseh Mills, Fall River, Mass.; Flint Mills, Fall River, Mass.; Laurel Lake Mills, Fall River, Mass.; Cornell Mills, Fall River, Mass.; Hargraves Mills, Fall River, Mass.; Parker Mills, Warren, R. I.; Rich, Borden Manufacturing Co., Fall River, Mass.; Parkhill Manufacturing Co., Fitchburg, Mass.; Granite Mills, Fall River, Mass.; Seaconnet Mills; Barnaby Manufacturing Co., Fall River, Mass.; Arkwright Mills, Fall River, Mass.; Luther Manufacturing Co., Fall River, Mass.; Border City Manufacturing Co.; Mechanics' Mills, Fall River, Mass.; Troy Cotton & Woolen Manufactory, Fall River, Mass.; Sagamore Manufacturing Co., Fall River, Mass.; Shove Mills, Fall River, Mass.; Stafford Mills, Fall River, Mass.; Davis Mills, Fall River, Mass.; Chace Mills, Fall River, Mass.; Nyanza Mills, Woonsocket, R. I.; Pierce Manufacturing Co., New Bedford, Mass.; Grinnell Manufacturing Corporation, New Bedford, Mass.; Whitman Mills, New Bedford, Mass.; Nashawena Mills, New Bedford, Mass.; Tabor Mills, New Bedford, Mass.; Beacon Manufacturing Co., New Bedford, Mass.; Butler Mills, New Bedford, Mass.; Dartmouth Manufacturing Corporation; Bristol Manufacturing Corporation, New Bedford, Mass.; Wamsutta Mills; Pierce Bros. (Ltd.), New Bedford, Mass.; Gosnold Mills, New Bedford, Mass.

I have also received a protest, dated May 2, 1912, from cotton buyers and brokers, against the adoption of the so-called Covington amendment. The names of those signing the protest are as follows:

Stephen M. Weld & Co., Boston; George H. McFadden & Bro., Philadelphia; Barry, Thayer & Co., Boston; Cooper & Brush, Boston; S. D. Bush & Co., Boston; Ingersoll Amory & Co., Boston; Charles Storror & Co., Boston; Ellerton L. Dorr & Co., Boston; P. T. Jackson & Co., Boston; William Almy & Co., Boston; Haughton & Co., Boston; B. H. Dickson & Co., Boston; L. Beebe & Co., Boston; E. A. Shaw & Co., Boston.

#### RHODE ISLAND LEGISLATURE.

So great has been the importance of this proposed change that the Rhode Island Legislature has itself passed a resolution in regard to it, which I now present to the committee:

STATE OF RHODE ISLAND, ETC.,  
IN GENERAL ASSEMBLY,  
January Session, A. D. 1912.

Resolution requesting the Senators and Representatives in Congress from Rhode Island concerning House resolution 21969, pending in Sixty-second Congress of the United States.

Whereas it has been the policy of this State, beginning with the earliest railroad charters, to authorize and encourage railroad companies to build their railroads to tidewater, to own wharves and docks, and to operate, or to own the stock of companies operating steamboats; and

Whereas in the last railroad charter granted, and as late as the year 1910, the General Assembly of Rhode Island, in furtherance of this policy, authorized the building to tidewater, the owning of wharves and docks, and the operation of, and ownership of the stock of, other companies which operate steamboats or steamships; and

Whereas section 11 of a bill pending in the House of Representatives of the Congress of the United States numbered 21969 and entitled "A bill to provide for the opening, maintaining, protection, and operating of the Panama Canal and the sanitation and government of the Canal Zone" is contrary to the said policy of this State; said section being as follows:

"Sec. 11. That section 5 of the act to regulate commerce, approved February 4, 1887, as heretofore amended, is hereby amended by adding thereto a new paragraph at the end thereof as follows:

"From and after the 1st day of July, 1913, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or in any other manner) in any common carrier by water with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense." Now therefore

Resolved, That the General Assembly of the State of Rhode Island opposes any action by Congress in conflict with the beneficial policy of this State as aforesaid, and that the Senators and Representatives in Congress from Rhode Island be, and they are hereby, respectfully requested to do all in their power to the end that section 11 of said bill be stricken therefrom.

STATE OF RHODE ISLAND,  
OFFICE OF THE SECRETARY OF STATE,  
Providence, April 26, 1912.

I hereby certify the foregoing to be a true copy of the original resolution approved by his excellency the governor on the 25th day of April, A. D. 1912.

In testimony whereof I have hereunto set my hand and affixed the seal of the State aforesaid the date first above written.

[SEAL.]

J. FRED. PARKER,  
Secretary of State.

This legislation was brought up without any opportunity for the shippers in New England or for those on the Great Lakes,

many of whom are in the same situation, to appear and present their views. It is brought up under a bill which purports to affect alone legislation on the Panama Canal. We are attempting to legislate on a subject, the ownership of boat lines, which the Committee on Merchant Marine and Fisheries are themselves investigating. Whatever may be the difficulties presented by the situation of the operation of the canal, it is obviously unjust and unfair to involve the shippers and people of the Atlantic coast cities and Great Lakes in far-reaching changes in their transportation system solely for the purpose of meeting conditions incident to the operation of the Panama Canal. [Applause.]

Mr. ADAMSON. Mr. Chairman, the gentleman from Massachusetts having replied to the amendment of the gentleman from Louisiana, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BROUSSARD] as a substitute to that offered by the committee.

The question was taken; and on a division (demanded by Mr. BROUSSARD) there were 18 ayes and 45 noes.

Mr. BROUSSARD. I demand tellers.

The question of ordering tellers was taken, and only seven Members arising—not a sufficient number—tellers were refused. So the amendment was lost.

Mr. JONES. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 4 of the committee substitute, line 18, after the word "country," add the words:

"Provided, That nothing in this paragraph shall apply to arrangements which may be entered into between a rail carrier and vessels of the United States registered in a foreign trade."

Mr. JONES. Mr. Chairman, paragraph d, page 4, of this amendment is in these words:

If any rail carrier subject to the act to regulate commerce enters into arrangements with any water carrier operating from a port in the United States to a foreign country, through the Panama Canal or otherwise, for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railway to enter into similar arrangements with any or all other lines of steamships operating from said port to the same foreign country.

It is not possible in the few moments at my disposal to do more than call attention to the manner in which this paragraph discriminates against American interests in favor of foreign shipping. It makes it impossible for any railroad in the United States to enter into any freight arrangement with an American built and owned steamship line plying between an American port and a foreign port, which it may not be required to enter into with a foreign line operating between the same ports. In effect this is a discrimination against ships of the United States, although upon the face of the paragraph it would appear to be a provision to prevent discrimination. I am sure this was not the intention of the committee, but it is just what the paragraph will accomplish, unless some such amendment as that which I have proposed is adopted. It is a well-known fact that all German railroads having connections with steamship lines engaged in foreign commerce give to German-owned ships material advantages in freight rates over the ships of every other nationality.

If, therefore, American railroads are prohibited from giving equal advantages to American ships competing for traffic with German ships between ports of the two countries, it must be evident to everybody that the American ships will be at a decided disadvantage. And yet this is just what this paragraph does. Is it conceivable that if this paragraph is enacted into law as it now stands an American ship will ever be built to sail between an American and a German port in competition with German ships? The laws of Germany not only permit, but they encourage, the granting of exclusive advantages to German ships carrying products exported from and imported into Germany. The railroad companies of Germany therefore give lower rates or other advantages to German ships which this paragraph will not permit American railroads to give to American ships engaged in the same trade. I can not believe that those who are responsible for this paragraph could have been aware of the conditions to which I have briefly called the attention of the House. The purpose evidently was to prevent railroads from discriminating in favor of one of the interior cities of the United States as against another of those cities. I can not believe that those who framed this paragraph understood that it would operate, as I have endeavored to point out, to prevent American ships from competing with the ships of other countries upon fair and equal terms. I am not asking in my amendment for any advantage for American shipping engaged in foreign trade; I am only asking that there shall be no legislation which will tend—indeed, which will surely operate—to injure, if not to utterly



destroy, the little that is now left of our foreign merchant marine.

If there is nothing which Congress can or will do to encourage ship building and ship owning in the United States, surely we should do nothing to discourage or prevent it. If this character of legislation is persisted in, the day may not be far distant when there will not be a merchant ship on the high seas flying the American flag.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. ADAMSON. Mr. Chairman, I would like to have that amendment again reported. I do not think I quite understand it.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment of the gentleman from Virginia [Mr. JONES].

Mr. ADAMSON. Mr. Chairman, I do not think there was any chicanery about this at all. I think the committee understood what it was doing.

Mr. SMALL. Mr. Chairman, I desire to be recognized in favor of the committee amendment, and against the amendment of the gentleman from Virginia [Mr. JONES].

The CHAIRMAN. The Chair will recognize the gentleman from North Carolina [Mr. SMALL].

[Mr. SMALL addressed the committee. See Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JONES].

Mr. CULLOP. Mr. Chairman, I would like to have the amendment again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2 of the Adamson substitute, lines 12 and 13, strike out the words "In all such cases the order of said commission shall be final."

Mr. ADAMSON. Mr. Chairman, I make the point of order that gentlemen are denominating that substitute wrongly. It ought to be the committee amendment or committee substitute.

Mr. LENROOT. Mr. Chairman, the first part of section 11 gives to the Interstate Commerce Commission jurisdiction to determine the matter of competition between vessels and railroads and whether the existing service is in violation of the provisions of the section. The last clause in that paragraph reads:

In all such cases the order of said commission shall be final.

I had supposed that it was elementary that no order of the Interstate Commerce Commission could be made final, thus taking away from the courts the power of review of that order. It seems to me so elementary that it ought not to require discussion. I am aware—as I have discussed the matter with some members of the committee—that they point to the fact that findings of fact of the Interstate Commerce Commission with reference to rates are final, and, therefore, they say this is doing nothing more than that law now provides with reference to rates, but those gentlemen seem to forget that the findings of fact made by the Interstate Commerce Commission with reference to rates are not carried into final orders at all. Rates are predicated upon those findings, and the law itself provides for a court review of those orders; and, Mr. Chairman, here comes the distinction, because the fixing of the rate is an act legislative in its nature and beyond the power of the court to review, so far as the facts are concerned on which that rate was based, and there are but two things that the court can inquire into. One is as to whether the commission has exceeded its powers—that is, the authority granted it by Congress—and, second, whether or not the rates fixed are confiscatory, or, in other words, invade the constitutional rights of the carrier. Now, with reference to this provision: What is the order that will be made by the commission? The commission will make an order either finding that there is a violation of the provisions of this section or that there is not, and if the order be that there is a violation of this provision, and these orders shall be final, what situation are we in? An action is brought. There is a penalty in the interstate-commerce law, and this section is made a part of that law, subjecting the carrier to that penalty. You have deprived that carrier of his day in court.

Now, so far as authorities are concerned, the Members of the House are familiar with the leading case of the Chicago, Milwaukee & St. Paul Railway Co. against Minnesota, One hundred and thirty-fourth United States. There was a case where it was undertaken by the State of Minnesota to make the orders of its State railway commission final and conclusive, as here you are attempting to make the orders of this class of cases final and conclusive, and with reference to that the court, in finding that law was unconstitutional, said:

It deprives the company of its right to a judicial investigation by due process of law under the forms and with the machinery provided by the wisdom of successive ages for the investigation judicially of the truth of a matter in controversy and substitutes therefor, as an absolute finality, the action of a railroad commission which, in view of the powers conceded to it by the State court, can not be regarded as clothed with judicial functions or possessing the machinery of a court of justice.

Mr. Chairman, it seems to me that decision of the Supreme Court is clearly upon all fours with this provision and condemns it, and because I am very much in favor of this substitute I want to see this provision stricken out. It is absolutely unnecessary; it can do no good and may do harm.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COVINGTON. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Wisconsin. It is entirely true, as he states, that you can not constitutionally deprive any railroad company owning a water carrier of its right to have a legal question judicially determined by the courts; but, Mr. Chairman, it is well known that the Interstate Commerce Commission can determine finally all issues of fact, and that the whole purpose of the interstate-commerce law is to permit that to be done. One of the most serious questions that is now agitating this country is whether or not the recently created Commerce Court is rightfully passing upon orders of the Interstate Commerce Commission by going so far as to review the determination of questions of fact which have been decided by the commission.

Now, all that the pending provision does is to permit the Interstate Commerce Commission to determine finally the specific question of fact whether or not any given water carrier is in competition with a railroad company which is in part the owner or wholly the owner of it. It does not seek to deprive the railroad company owning the water carrier of any constitutional right which it possesses, but it simply makes final the determination by the Interstate Commerce Commission of the issue of facts involved.

Mr. LENROOT. Will the gentleman permit a question? Could the carrier make any defense in the courts?

Mr. COVINGTON. Not as to the simple question of whether the water carrier is or is not in competition with the railroad owner.

Mr. LENROOT. Is not that the entire question and the only prohibition there is in the section? It is the ultimate fact that is in issue.

Mr. COVINGTON. It is the ultimate fact in issue, but it is determined in the same way and by a power of the same character that the commission now makes its findings upon.

Mr. LENROOT. Then have not you deprived the carrier of his day in court when you make this order final?

Mr. COVINGTON. I think not.

Mr. LENROOT. Is there any order of the Interstate Commerce Commission in the interstate-commerce law that is made final as you propose to make this order final?

Mr. COVINGTON. But the gentleman understands if this order should be confiscatory of any right of the railroad company that the question developed by the order would not deter the railroad company from appealing and going to the courts.

Mr. LENROOT. But it would determine that this entire section is unconstitutional, as was expressly held by the decision of the court.

Mr. COVINGTON. The order would determine the finding of fact by the Interstate Commerce Commission, and the railroad company would then simply have its appeal when it could show that it was deprived of a constitutional right in that its property had been confiscated—that is to say, deprived of its property without due process of law.

Mr. LENROOT. But no order in the interstate-commerce law is made final, and there is the distinction between that Minnesota case. They attempted in that case to make it final, and that is what condemned the entire act.

Mr. COVINGTON. All findings of fact are final.

Mr. LENROOT. The finding of fact was final only because the order is predicated upon it, which is legislative in its nature. It is not so in this case.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].



The question was taken, and the Chairman announced the yeas seemed to have it.

Upon a division (demanded by Mr. LENROOT) there were—yeas 42, noes 64.

So the amendment was rejected.

Mr. MALBY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend section 11 of the amendment in line 15, after the word "traffic," page 1, by adding thereto the following words: "Through the canal."

Mr. MALBY. Mr. Chairman, in order that we may thoroughly understand the effect of the amendment which I offer to section 11 of the bill, it is important to call the attention of the House to exactly what it now provides for, and even in this connection I can add very little to my remarks made a few days ago when this whole bill was under consideration.

In brief, this section provides that from and after July 1, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever—by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner—in any common carrier by water with which said railroad or other carrier aforesaid does or may compete for traffic; in other words, it is made unlawful for any railroad company after that date to have or hold any interest, directly or indirectly, in any of the stocks or bonds, or in any other manner, in any water transportation company.

The application of this section is not limited, as I previously pointed out, to water transportation lines which are to use the Panama Canal, but it is a general provision which applies throughout the whole country to all railroad companies which have or own an interest in water transportation companies. Just why such an important provision has been put in this act, which exclusively relates to the Panama Canal and transportation through the same, I am unable to conceive. The only justification for dealing with that subject at all would be to confine its operation to those lines that use the Panama Canal, and even in such cases it is of very doubtful propriety. As applied to the rest of the country it is wholly unjustifiable and will lead to serious results, little appreciated, I fear, even by the membership of this House.

Let us inquire briefly what its results will be. It is known by all men that the great transportation business of the United States is now carried on by the combined efforts of railroad and water transportation companies on our Great Lakes and rivers and on the Atlantic and Pacific seaboard and the Gulf of Mexico. The railway companies, notwithstanding every reasonable effort on their part, discovered many years ago that they would be unable to take care of our great inland and coast commerce without the aid of water transportation.

Private capital could not be induced to invest in the construction and operation of these water lines. It was then that the railroads commenced to construct expensive docks, warehouses, elevators, and steamship lines in connection with their own roads for the purpose of furnishing adequate and cheaper facilities for the handling of our immense freight traffic. It resulted in greatly lessening the cost of transportation, and many railroad companies transport freight over their own water lines from 10 to 25 per cent cheaper than they can afford to by rail, and the result of their efforts has been to afford much greater and better facilities for transportation at a decreased cost.

It is quite useless and contrary to fact to say that there is no competition between water lines owned by railroad companies and the railroad or other water transportation lines, for, as I have pointed out, the railroad companies carry freight over their own water lines much cheaper than they do over the rail lines, and besides all this there is the keenest competition by water between lines owned by the railroad and those owned by independent companies; in other words, the railroad can not in the very nature of things charge any more for freight on their steamboat lines than other water transportation companies charge for the same services.

It is therefore apparent that present conditions do not call for legislation, but, on the contrary, demand that there shall be no such legislation as that proposed in section 11 of this bill. All the important railroads in the country are affected by it, and if they were obliged in this brief period of time allowed by this bill to dispose of their docks, warehouses, elevators, and steamboat lines it would not only be at a very great sacrifice, but it would seriously interfere with the great question of transportation, in which the general public is vitally interested.

These steamship lines which are now owned by railroads were constructed and put in operation with special reference to their usefulness in connection with the railroad system. Operated in connection with the railroads, who have constructed, owned, and operated them, they are of great value and usefulness to the public in the handling of their freight, but separated from them they are little more than so much junk, for I think that it will be conceded that no one can be found who would be foolish enough to take this property off their hands and operate it at any price. If the edict goes forth that the railroad companies must do without water transportation to help them out, then they will do the best they can with the railroads and leave the water transportation companies to take care of themselves. Just what the situation would then be can be better imagined than told.

Personally, I can not conceive of any act on the part of Congress which is so uncalled for as this and which at the same time would not increase the facilities for transportation by a single point or decrease the charges therefor by so much as a penny, but, on the contrary, would greatly lessen our present facilities for transportation, and hence inevitably lead to an increase in cost. If this is reform, then, in the name of good sense, let us have less of it. Instead of increasing the transportation through the Panama Canal it will greatly lessen it by decreasing the facilities, and absolutely lead to a monopoly on the part of a few independent steamship companies who may use the canal, but whose facilities for actual transportation are absolutely insignificant. Instead of transportation being cheaper from coast to coast and on our inland waterways, it will be dearer and less effectively conducted.

I know that it has become very popular to denounce almost everything and everybody now which has furnished some evidence of a successful administration of their affairs, and, in particular, the railroads. There was a time when this Government was very solicitous about railroads and their construction, and offered them large grants of land as a bonus for the construction of railways. Now, that they have been constructed and are under successful operation, it would seem that a vast majority of the Members of this body were seeking either to destroy them or render them less capable of meeting the great public demands which are constantly made upon them.

I am not interested in transportation, either by rail or water, but I can very plainly see that the policy of our Government must be more generous toward our railroads or the public service must seriously suffer. I may say in passing that many of our large railroad companies, and in particular our transcontinental lines, have during the past 20 years been in the hands of receivers, and millions of dollars which were invested in their construction have been lost to the original investors. I think that I may say, without fear of successful contradiction, that there has been less return for the money invested, first and last, in the building of our railroads than in any other industry in which our people have been engaged. A few of them have made money all of the time, some of them a part of the time, and the rest of them none of the time.

It might not be opportune at this time to call attention to the fact that we have more miles of railroad in the United States than they have in the whole Continent of Europe and that they have been constructed at must less cost.

The average cost of construction per mile in the United States is about \$60,000, while that of the United Kingdom of Great Britain is \$274,000 per mile, Germany \$111,000 per mile, France \$141,000 per mile, Austria \$116,000 per mile, Italy \$125,000 per mile, and Belgium \$187,000 per mile, while our passengers per mile and our freight per ton-mile are carried cheaper and quicker than in any other country in the world. At the same time, we observe that the total number of their employees is 1,695,000, who are paid wages to the amount of \$1,230,800,000 per annum, a sum so vast that we are unable to grasp the importance of their successful operation and its effect upon the general prosperity of our country. It may also be stated in passing that the compensation of their employees has increased over \$200,000,000 since 1905, while the average pay of their workmen is from two to four times as much as it is either in Great Britain or in any country on the continent of Europe. Notwithstanding these facts, and many more within the knowledge of every Member of this body, we are daily entertained with speeches against the railroads, as though they were an enemy to the Republic instead of being directly responsible, as they are, for substantially all of its entire development. Were the railroad companies to cease operating to-day and remain shut down for 30 days two-thirds of the people of the United States would be in a state of starvation, and Congress itself would be obliged to adjourn to where food was more plentiful than here in Washington.



But I am informed by my friend from California that the good railroad companies need have no fear of the provisions in this section, because it is provided that the Interstate Commerce Commission is to determine the question of fact as to whether they shall be compelled to dispose of their water line transportation or not. In this statement he is grossly mistaken. No such provision is to be found in the bill; in fact, its provisions are directly to the contrary, for it specifically provides that the Interstate Commerce Commission has jurisdiction to determine the fact as to the competition or possibility of competition after full hearing—that is to say, if the railroad company owns or operates a steamship line which, if separated from it, would or could by any possibility compete with it, then and in such case it is within the prohibition of the law and separation must of necessity take place.

There is absolutely no discretion whatsoever vested in the Interstate Commerce Commission, for they are empowered only to ascertain the fact as to whether there is a possibility of competition, as, of course, in every single instance there would be so-called competition, if, indeed, all the water lines survived, of which I have some doubts.

The scheme seems to be, on the part of the promoters of this particular piece of legislation, to make the canal free to those who survive, and then to see to it that they have no competition whatsoever in their transportation business. The results of such legislation can be very easily appreciated except as to the extent of the damage done, which will be incalculable.

I have listened for several days, with both patience and amusement, to the advocates of free transportation for American ships through the Panama Canal. I have tried to demonstrate that under section 11 there would be many fewer ships to pass if it becomes a law. I have been greatly amused by the speeches which have been made by my fellow Members in favor of the consumer and declaring the great benefits which would accrue to him if tolls were abolished. We are informed by those having this bill in charge that the actual cost of tolls per ton would be about 50 cents, as provided for in this measure. We are further informed by our friends from the Pacific slope that what they have to sell and transport is largely fruit and fish. I can just imagine how grateful an economical housewife would be, upon returning from her daily marketing with six oranges weighing 3 pounds, one-half dozen lemons weighing 2 pounds, one box of grapes weighing 4 pounds, two boxes of figs weighing one-half pound, and two quarter-pound boxes of sardines and salmon, a total of 10 pounds of fruit and fish fresh from the Pacific slope via the Panama Canal, upon which the Government of this country by a free canal has lessened the cost to somebody in the enormous sum of exactly a quarter of 1 cent. I say somebody, for I feel quite sure that the purchaser would not be the person benefited.

Let us take another view of it by dealing in larger figures. Suppose an orange weighs on an average a half pound, and a good housewife, determined to secure the magnificent bounty intended by the House of Representatives that she should have, purchases a ton of oranges and actually makes 50 cents thereby. I can very clearly see that if she ate two a day it would require nearly six years in which to realize this enormous profit and advantage resulting from a free canal. And if she purchased a ton of salmon or sardines in quarter-pound packages, in which they are put up, in order to be the recipient of the Nation's generosity, she would have to consume two boxes a day for nearly 11 years. Of course everyone can now see how beneficial this magnificent and generous provision on the part of the United States is going to be to the consumer of fruit and fish from the Golden Gate of the Pacific. The mere trifle of Uncle Sam losing tolls, which would amount to several millions of dollars a year, while he is paying, as it has been estimated by the committee, from twenty-five to fifty millions of dollars a year for maintenance of the canal, after having invested \$400,000,000 for construction, is of little consequence so long as the ultimate consumer is to be benefited by such vast sums as I have hereinbefore pointed out. Let us by all odds insist that Uncle Samuel shall furnish us free of Government tolls fruit, flowers, and fish. Then the Nation will be safe and correct principles of economy adopted.

The CHAIRMAN. The gentleman from Indiana [Mr. CULLOP] is recognized.

Mr. CULLOP. Mr. Chairman, I am ready for a vote.

Mr. BROUSSARD. Mr. Chairman—

The CHAIRMAN. Is the gentleman from Louisiana in opposition to the amendment offered by the gentleman from New York [Mr. MALBY]?

Mr. BROUSSARD. No; I am in favor of the amendment offered by the gentleman.

Mr. RAKER. I would like to say just a word in opposition to the gentleman from New York.

The CHAIRMAN. There is five minutes more for debate.

Mr. ADAMSON. The gentleman from California [Mr. KNOWLAND] wants that time, and I yield it to him.

Mr. BROUSSARD. A parliamentary inquiry, Mr. Chairman. The CHAIRMAN. The gentleman will state it.

Mr. BROUSSARD. I should like to know whether, if because those who are opposed to the proposition would not use their time, arguments in behalf of it can not be made in the committee?

The CHAIRMAN. The Chair will recognize the gentleman from California [Mr. KNOWLAND] in opposition to the amendment offered by the gentleman from New York [Mr. MALBY].

Mr. KNOWLAND. Mr. Chairman, I will state in opposition to the amendment of the gentleman from New York [Mr. MALBY] that the original amendment touching this question which I proposed in the committee applied only to the Panama Canal. But the members of the committee, with whom I agreed, believed that if it was bad policy for railroads to own water lines in competition with themselves through the Panama Canal it was well to apply this principle throughout the entire country where railroads operate water lines in competition with themselves for traffic. [Applause.]

I think everyone will admit that where railroads own water lines in competition with themselves they have but one purpose in view, and that purpose is to neutralize competition. For over 30 years we of California and of the Pacific coast have had a bitter experience in the matter of the railroad control of competing water lines, and that experience has resulted in the demand to this body that the pending Panama Canal bill should contain a provision that will forever prevent the railroads of this country from stifling competition through the Panama Canal, which we expect will be of great benefit as a regulator of rail rates.

Before this House on Thursday I gave a history of the stifling of water competition by the transcontinental railroads in California for the past 30 years, showing the necessity for this provision.

I disagree with my friend from New York [Mr. MALBY] in his statement that this does not give the railroads a day in court. The substitute which the committee proposed confers jurisdiction upon the Interstate Commerce Commission to determine questions of fact as to the competition or possibility of competition. There might be cases, for instance, and probably the gentleman has some in mind, where the operation of a water line by a railroad would not be a case that would be barred by this statute. The Interstate Commerce Commission, I take it, would be broadminded enough and fair enough not to prohibit the owning of a water line where that water line did not compete with a railroad. The committee therefore proposed this amendment in order to give jurisdiction to the Interstate Commerce Commission to determine, perhaps, questions such as the gentleman from New York [Mr. MALBY] has proposed. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. [Cries of "Vote!" "Vote!"] The question is on agreeing to the amendment offered by the gentleman from New York [Mr. MALBY].

The question was taken, and the amendment was rejected.

Mr. LAFFERTY. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oregon [Mr. LAFFERTY].

The Clerk read as follows:

Page 2, line 12, strike out the word "order" and insert in lieu thereof the words "findings of fact."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oregon [Mr. LAFFERTY].

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. LAFFERTY. A division, Mr. Chairman.

The committee divided; and there were—ayes 16, yeas 82.

So the amendment was rejected.

The CHAIRMAN. The question is now on the substitute offered by the committee.

The question was taken, and the substitute was agreed to.

The CHAIRMAN. There is an amendment pending to section 12. The Clerk will report that amendment.

Mr. ADAMSON. Mr. Chairman, there is no other amendment pending.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] has an amendment pending to section 12.

Mr. ADAMSON. Mr. Chairman, I want to make this proposition to the gentleman from Illinois [Mr. MANN]: We have not



time to agree about his amendment to-night. I do not believe there is a quorum here in the House.

I do not care to stay here for three or four roll calls, and I therefore will move that the committee rise, and when the bill comes up for a vote in the House the gentleman from Illinois and I can at that time arrange and agree upon an amendment.

Mr. MANN. I do not object to the gentleman's motion that the committee rise and report the bill and amendments to the House if the gentleman will permit me, in the House, to offer the amendment.

Mr. ADAMSON. I have no objection to that.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that he—

Mr. ADAMSON. Mr. Chairman, it is understood between the gentleman from Illinois [Mr. MANN] and myself that if he does not agree with the committee he may rise in the House and offer his amendment in the House.

I move that the committee do now rise and report the bill and amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MANN. I ask unanimous consent to withdraw my amendment, pending that motion.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Georgia [Mr. ADAMSON], that the committee do now rise and report the bill and amendments thereto to the House, with the recommendation that the amendments be adopted, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LLOYD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 21969) to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone, and had directed him to report it back with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The SPEAKER. The Chairman of the Committee of the Whole House on the state of the Union reports that that committee has had under consideration House bill 21969, and has directed him to report it back with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. ADAMSON. Mr. Speaker, I move the previous question—

Mr. MANN. The gentleman agreed to let me offer an amendment.

Mr. ADAMSON. Mr. Speaker, there is an understanding between the gentleman from Illinois and myself that he shall offer an amendment.

Mr. MANN. But if the gentleman moves the previous question I can not.

The SPEAKER. Has the gentleman from Illinois an amendment to offer?

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. If the previous question is not ordered on this bill, what will be its status to-morrow morning?

The SPEAKER. It will not have any status to-morrow morning.

Mr. GARNER. What status will it have on Thursday morning?

The SPEAKER. It will be the unfinished business on Thursday morning.

Mr. ADAMSON. Mr. Speaker, I want to modify my motion.

The SPEAKER. Unless the previous question is ordered, the Chair will be in doubt whether it will be the unfinished business or not.

Mr. ADAMSON. Mr. Speaker, subject to the right of the gentleman from Illinois [Mr. MANN] to offer an amendment, I move the previous question.

Mr. MANN. If the gentleman will permit me, I will offer the amendment now.

The SPEAKER. The gentleman from Georgia will not lose his right to move the previous question.

Mr. BROUSSARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROUSSARD. If the previous question is ordered now, would that exclude a motion to recommit with instructions?

The SPEAKER. It would not.

Mr. MANN. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. To-morrow being Calendar Wednesday, if the previous question is ordered, on Thursday the gentleman would have the right of way to call up his bill, he having a privileged bill which he can call up at any time under an order that the House has already made?

Mr. ADAMSON. The gentleman from Illinois has a proposition which I have agreed to, and I want him to have the time to study it, and therefore I move the previous question subject to his right to offer his amendment.

The SPEAKER. That can not be done without unanimous consent.

Mr. ADAMSON. Then, Mr. Speaker, I ask unanimous consent that after the previous question is ordered he may have the right to offer one amendment.

The SPEAKER. The gentleman from Georgia asks unanimous consent that after the previous question is ordered the gentleman from Illinois may be permitted to offer an amendment to the bill in the House.

Mr. GARDNER of Massachusetts. Mr. Speaker, reserving the right to object, I do not think the gentleman could possibly deprive any Member of the House not here present from exercising the right to object on Thursday. I ask unanimous consent, Mr. Speaker, that this bill be the order of business immediately after the reading of the Journal on Thursday.

Mr. ADAMSON. Mr. Speaker, I withdraw my request and will let the gentleman from Illinois offer his amendment now.

Mr. MANN. Then, Mr. Speaker, I offer the following amendment.

The SPEAKER. The Clerk will report the amendment.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that the reading of the amendment be waived, as it has already been read in committee.

The SPEAKER. The gentleman from Georgia asks unanimous consent to waive the reading of the amendment, it having been read in committee. Is there objection?

There was no objection.

Mr. ADAMSON. Now, Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. CRAVENS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 18955. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 18954. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 18335. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 18337. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

#### SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to the Committee on Public Buildings and Grounds:

S. 6603. An act authorizing the Secretary of the Treasury to convey to the board of education of New Hanover County, N. C., portion of marine-hospital reservation not needed for marine-hospital purposes.

#### LEAVE TO PRINT.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that all Members who wish may have five legislative days in which to print remarks on this bill, and for those who have spoken to extend remarks in the RECORD.

The SPEAKER. The gentleman from Georgia asks unanimous consent that Members may have five legislative days to print remarks on this bill, and for those who have spoken to extend their remarks in the RECORD. Is there objection?

There was no objection.

#### WITHDRAWAL OF PAPERS.

Mr. GALLAGHER, by unanimous consent, was given leave to withdraw from the files of the House, without leaving copies, papers in the case of F. E. Alvord, H. R. 12660, Fifty-ninth Congress, no adverse report having been made thereon.



## ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Wednesday, May 22, 1912, at 12 o'clock noon.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. JOHNSON of Kentucky, from the Committee on the District of Columbia, to which was referred the bill (S. 1090) providing for guides in the District of Columbia, and defining their duties, reported the same with amendment, accompanied by a report (No. 742), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 23) to authorize the extension of Underwood Street NW., reported the same without amendment, accompanied by a report (No. 743), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (S. 6508) to exempt from cancellation certain desert-land entries in the Chuckawalla Valley, Cal., reported the same without amendment, accompanied by a report (No. 748), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RICHARDSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 23799) to amend "An act to authorize the Dauphin Island Railway & Harbor Co., its successors or assigns, to construct and maintain a bridge or bridges or viaducts across the water between the mainland, at or near Cedar Point and Dauphin Island, both Little and Big; also to dredge a channel from the deep waters of Mobile Bay into Dauphin Bay; also to construct and maintain docks and wharves along both Little and Big Dauphin Islands," reported the same with amendment, accompanied by a report (No. 744), which said bill and report were referred to the House Calendar.

Mr. STEVENS of Minnesota, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 6614) to authorize the construction of a pontoon bridge across the Red River of the North between Pembina, N. Dak., and St. Vincent, Minn., reported the same without amendment, accompanied by a report (No. 745), which said bill and report were referred to the House Calendar.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 6848) authorizing the Cooper River Corporation, a corporation organized under the laws of the State of South Carolina, to construct, maintain, and operate a bridge and approaches thereto across Goose Creek, in Berkeley County, S. C., reported the same with amendment, accompanied by a report (No. 747), which said bill and report were referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill of the House (H. R. 22437) for the relief of A. W. Toreson, son and heir of Anna M. Toreson, deceased, reported the same with amendment, accompanied by a report (No. 746), which said bill and report were referred to the Private Calendar.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LAFFERTY: A bill (H. R. 24735) to amend an act entitled "An act providing for the validation of certain homestead entries," approved March 3, 1911; to the Committee on the Public Lands.

By Mr. ROBINSON: A bill (H. R. 24736) authorizing the Secretary of the Interior to construct a new bathhouse on the Hot Springs Reservation, Ark., for the accommodation of indigents; to the Committee on the Public Lands.

Also, a bill (H. R. 24737) to authorize the investigation of the physiological and therapeutical effects of the waters of the Hot Springs of Arkansas, and to report upon the application of

these waters to the alleviation and cure of diseases; to the Committee on the Public Lands.

By Mr. CURLEY: A bill (H. R. 24738) granting land for sanitarium to Order of Owls; to the Committee on the Public Lands.

By Mr. MARTIN of Colorado: A bill (H. R. 24751) authorizing a conditional grant of public lands for public school site; to the Committee on the Public Lands.

By Mr. GILLET: Joint resolution (H. J. Res. 317) providing that employees of the Government shall receive pay for Labor Day; to the Committee on Reform in the Civil Service.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 24739) to reinstate Robert N. Campbell as a first lieutenant in the Coast Artillery Corps, United States Army; to the Committee on Military Affairs.

By Mr. COPLEY: A bill (H. R. 24740) granting a pension to Sadie Barrett; to the Committee on Pensions.

Also, a bill (H. R. 24741) granting an increase of pension to Grove E. Jarvis; to the Committee on Invalid Pensions.

By Mr. CURRIER: A bill (H. R. 24742) restoring to the pension roll the name of Harriett Littlefield; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 24743) to correct the military record of Platoff P. Bush; to the Committee on Military Affairs.

Also, a bill (H. R. 24744) to correct the military record of Jesse J. Clemmons; to the Committee on Military Affairs.

By Mr. FERGUSON: A bill (H. R. 24745) for the relief of Isidoro Otero; to the Committee on Claims.

Also, a bill (H. R. 24746) to correct the military record of A. W. Sudduth; to the Committee on Military Affairs.

By Mr. GODWIN of North Carolina: A bill (H. R. 24747) for the relief of the heirs of John P. Clark; to the Committee on War Claims.

By Mr. HULL: A bill (H. R. 24748) granting a pension to Zorel Tipton; to the Committee on Pensions.

Also, a bill (H. R. 24749) granting an increase of pension to Eliza C. Jones; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 24750) granting an increase of pension to Lucille M. Bertolotto; to the Committee on Pensions.

By Mr. MOSS of Indiana: A bill (H. R. 24752) for the relief of John W. Baker; to the Committee on Military Affairs.

By Mr. PADGETT: A bill (H. R. 24753) for the relief of W. M. Crosswaite; to the Committee on War Claims.

By Mr. PARRAN: A bill (H. R. 24754) for the relief of the estate of George Lloyd Raley; to the Committee on War Claims.

By Mr. PUJO: A bill (H. R. 24755) for the relief of heirs of Michael Emonet; to the Committee on War Claims.

By Mr. REILLY: A bill (H. R. 24756) to remove the charge of desertion against Henry A. Lain; to the Committee on Military Affairs.

Also, a bill (H. R. 24757) for the relief of Charles H. Quackebush; to the Committee on Claims.

By Mr. UNDERHILL: A bill (H. R. 24758) granting a pension to John S. Huston; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 24759) granting a pension to Leander Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 24760) granting an increase of pension to Judah Howard; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AYRES: Petition of Independent Chennoritzu Lodge, No. 520, Independent Order B'rith Abraham, New York, protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of residents of the Bronx, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of Brotherhood of Railroad Trainmen, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of Taxpayers' Alliance, Borough of the Bronx, N. Y., praying for proper improvement of the Bronx Kills; to the Committee on Rivers and Harbors.

By Mr. BOWMAN: Petition of Daughters of Liberty, West Hazelton, Pa., and Farmers' Union, both favoring restriction of immigration; to the Committee on Immigration and Naturalization.



Also, petition of J. H. R. Storey, favoring passage of House bill 1339, for increasing pension of veterans of the Civil War who have lost an arm or leg; to the Committee on Invalid Pensions.

By Mr. CALDER: Petition of the National Lumber Manufacturing Association, favoring free use of the Panama Canal by American ships; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Philadelphia and the Montezano Chamber of Commerce, both favoring restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. CANDLER: Petition of citizens of Nettleton, Amory, Aberdeen, and Starkville, Miss., in opposition to any parcel-post system; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Nettleton, Amory, Aberdeen, and Starkville, Miss., favoring giving the Interstate Commerce Commission further power in the regulation of express rates and classification; to the Committee on Interstate and Foreign Commerce.

By Mr. COX of Ohio: Petition of Local No. 43, Hamilton, Ohio; Local No. 48, Metal Polishers' Union, Middletown, Ohio, both favoring passage of H. R. 22339, prohibiting the use of the stop-watch system on Government employees; to the Committee on Labor.

By Mr. CURLEY of Massachusetts: Petition of Independent New Jersey Cranberry Co., Philadelphia, Pa., relative to H. R. 23113, for regulating size of barrels to ship fruits, etc.; to the Committee on Coinage, Weights, and Measures.

Also, petition of citizens of Philadelphia, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of General Grant Lodge, No. 376, Boston, Mass., protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. DAVENPORT: Petition of Brotherhood of Locomotive Engineers, Harrisburg, Pa., favoring restriction of immigration and the passage of Senate workmen's compensation act and the anti-injunction bill; to the Committee on Immigration and Naturalization.

By Mr. FOSS: Petition of Brotherhood of Railroad Trainmen, Farmers' Union of America, and citizens of Philadelphia, all favoring restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. FULLER: Petition of C. M. Parker, of Lincoln, Nebr., favoring passage of House bill 1339 for increasing pension to veterans who lost a limb in the Civil War; to the Committee on Invalid Pensions.

Also, petition of the Farmers' Union of America, favoring passage of House bill 22527 containing literacy test for immigrants; to the Committee on Immigration and Naturalization.

Also, petition of Italo-American Alliance of United States of America, protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. GALLAGHER: Petition of citizens of Chicago, Ill., protesting against the Root amendment to the immigration bill providing that any alien who conspires with others for the violent overthrow of a foreign government is liable to deportation; to the Committee on Immigration and Naturalization.

By Mr. GOLDFOGLE: Petition of T. J. Hawkes & Co., Corning, N. Y., and Allied Printing Trades Council, New York, both favoring passage of the 1-cent letter rate; to the Committee on the Post Office and Post Roads.

Also, petition of Indianapolis Bolster Spring Co., Indianapolis, and W. J. Holliday & Co., Indianapolis, both protesting against passage of House bill 16344, requiring all goods to have manufacturer's brand on them; to the Committee on Interstate and Foreign Commerce.

Also, petition of Samuel Felt Drug Co., Watertown, N. Y., protesting against passage of Richardson bill (H. R. 14060); to the Committee on Interstate and Foreign Commerce.

Also, petition of Knollwood Farm, East Norwich, N. Y., favoring passage of Senate bill 6497, for protecting migratory birds; to the Committee on Agriculture.

Also, petition of the Laidlaw-Dunn-Gordon Co., Los Angeles, Cal., protesting against bill prohibiting the use of the Panama Canal by steamship companies in which railroad corporations are interested; to the Committee on Interstate and Foreign Commerce.

Also, petition of the American Humane Education Society, Boston, Mass., relative to House bill 17222, for the prevention of the shipping of young calves; to the Committee on Interstate and Foreign Commerce.

By Mr. HANNA: Petition of Local Missouri Hope Lodge, I. A. of M., Mandan, N. Dak., favoring passage of House bill 22339, prohibiting use of the stop-watch system on Government employees; to the Committee on Labor.

Also, petition of citizens of Ross and Stuart, N. Dak., favoring enactment of parcel-post bill; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Josephine, N. Dak., protesting against passage of the Lever antifuture-trading bill; to the Committee on the Judiciary.

By Mr. HARRISON of Mississippi: Petition of citizens of Ellisville, Laurel, Magee, Collins, Hattiesburg, and Columbia, Miss., protesting against any parcel post; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Ellisville, Laurel, Magee, Collins, Hattiesburg, and Columbia, Miss., asking that the Interstate Commerce Commission be given further power toward controlling express rates and classifications; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Connecticut: Petitions of Hebrews of the city of New Britain, Conn., and Workmen's Circle, New Haven, Conn., protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. HUGHES of New Jersey: Petition of New Jersey bankers, relative to a sane and sound banking system; to the Committee on Banking and Currency.

By Mr. KENT: Petition of Division No. 11, Order of Railway Conductors, Los Angeles, Cal., favoring passage of House bill 20487; to the Committee on the Judiciary.

By Mr. LAFFERTY: Petition of Thomas B. Bronaugh, jr., and other citizens of Oregon, favoring passage of the old-age pension bill; to the Committee on Pensions.

By Mr. LEE of Pennsylvania: Petition of citizens of Tamaqua, Pa., favoring establishment of a national public health service; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY: Petition of Knollwood Farm, East Norwich, N. Y., favoring protection of migratory birds; to the Committee on Agriculture.

By Mr. MAHER: Petition of Brotherhood of Locomotive Engineers, for restriction of immigration, passage of the workmen's compensation act, and the anti-injunction bill; to the Committee on Immigration and Naturalization.

Also, petition of Farmers' Union, for restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. MANN: Petition of the National Lumber Manufacturers' Association, of Cincinnati, Ohio, favoring passage of the bill prohibiting importation of nursery-stock cuttings or any other articles by which insect pests and plant diseases are introduced into the United States; to the Committee on Agriculture.

Also, petition of the National Lumber Manufacturers' Association, favoring movement toward placing Diplomatic and Consular Service on a civil-service basis; to the Committee on Foreign Affairs.

Also, petition of the National Lumber Manufacturers' Association, of Cincinnati, Ohio, urging adoption of wise and generous relief measures relative to floods along the Mississippi River; to the Committee on Rivers and Harbors.

Also, petition of the National Lumber Manufacturers' Association, of Cincinnati, Ohio, requesting the opening of the Panama Canal free to American ships engaged in our coastwise domestic trade; to the Committee on Interstate and Foreign Commerce.

Also, petition of the National Lumber Manufacturers' Association, favoring free use of the Panama Canal by American ships; to the Committee on Interstate and Foreign Commerce.

Also, petition of Women's Trade Union League, Chicago, Ill., favoring passage of House bill 11372, for making traveling by sea safer; to the Committee on the Merchant Marine and Fisheries.

By Mr. MCCOY: Petition of American Purity Federation, favoring restriction on immigration; to the Committee on Immigration and Naturalization.

Also, petition of Elizabeth Board of Trade, Elizabeth, N. J., favoring passage of the 1-cent letter rate; to the Committee on the Post Office and Post Roads.

Also, petitions of Lodge No. 2; Arnold Weiss Lodge, No. 8; M. T. Schmmain Lodge, No. 5, Independent Order B'rith Sholom; Young Folks Civic League; Jewish Sisterhood; Chinese Consolidated Benevolent Association; Iron Bound Lodge, No. 15, I. O. K. S.; Bialystoker Lodge, No. 13; Erisk Delite Lodge, No. 11; Newark Hebrew Lodge, No. 6, Independent Order King Solomon; and Orange Israelitic K. U. Verin, New Jersey, all protesting against restriction of immigration; to the Committee on Immigration and Naturalization.



Also, petition of Local Union No. 13, United Hatters of North America, and Journeymen Plumbers' Local, No. 24, both favoring passage of Hamill bill for pensioning employees of the Government who have served 30 years or more; to the Committee on Pensions.

By Mr. O'SHAUNESSY: Petition of Rhode Island branch of the Woman's Auxiliary of the Protestant Episcopal Church, Providence, R. I., relative to improving the conditions of the natives of Alaska; to the Committee on the Territories.

By Mr. POWERS: Petition of citizens of the eleventh congressional district of Kentucky, favoring placing Kentucky State Guards on a pensionable status; to the Committee on Pensions.

Also, petition of Cremieux Young Men's Lodge, No. 223, Independent Order B'rith Abraham, protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of American Purity Federation, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. PUJO (by request): Petition of Junior Order United American Mechanics, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of citizens of Lake Charles, La., favoring passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, papers to accompany bill for the relief of the estate of Michael Emonet; to the Committee on War Claims.

By Mr. REILLY: Petition of Italo-American Alliance of United States of America, Philadelphia, Pa., and Star of Waterbury Lodge, No. 235, Independent Order B'rith Abraham, Waterbury City, Conn., both opposing the restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of the Cigarmakers' International Union of America, Meriden, Conn., favoring passage of House bill 22766, for prohibiting the use of trading coupons; to the Committee on Ways and Means.

Also, petition of Daughters of Liberty, New Haven, Conn., and Brotherhood of Locomotive Engineers, Harrisburg, Pa., both favoring restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. SCULLY: Petition of citizens of Philadelphia, favoring passage of House bill 22527, containing literacy test for immigrants; to the Committee on Immigration and Naturalization.

Also, petition of Frank Floyd Post, No. 79, Grand Army of the Republic, South River, N. J., favoring passage of House bill 14070, for relief of veterans whose hearing is defective; to the Committee on Pensions.

Also, petition of New Brunswick Lodge, No. 480, Independent Order B'rith Abraham, New Brunswick, N. J., protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. STEPHENS of California: Petition of Jack Jenkins Local Assembly, favoring enactment of parcel post; to the Committee on the Post Office and Post Roads.

Also, petition of Women's Union of Claremont, Los Angeles County, Cal., asking immediate passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

Also, petition of citizens of California, favoring passage of House bill 22339, prohibiting the use of the stop-watch system on Government employees; to the Committee on Labor.

Also, petition of Pasadena Merchants' Association, of Pasadena, Cal., protesting against any change in patent laws that might affect price maintenance; to the Committee on Patents.

Also, petition of San Francisco Chamber of Commerce, of San Francisco, Cal., in opposition to passage of House bill 21100, amending the act entitled "An act to codify, revise, and amend the laws relating to the judiciary"; to the Committee on the Judiciary.

By Mr. STEVENS of Minnesota: Petition of St. Paul Capitol Lodge, No. 93, Order B'rith Abraham, protesting against restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of Garfield Post, No. 8, Grand Army of the Republic, relative to recent insults to and desecration of the United States flag; to the Committee on the Judiciary.

By Mr. SULZER: Petition of Knollwood Farm, East Norwich, N. Y., favoring passage of Senate bill 6497, for protection of migratory birds; to the Committee on Agriculture.

By Mr. TALCOTT of New York: Petition of Brotherhood of Locomotive Engineers, favoring restriction of immigration and passage of the Senate workmen's compensation act and the anti-injunction bill; to the Committee on Immigration and Naturalization.

By Mr. TILSON: Petition of Hebrews of the city of New Britain, Conn., and the Independent Vilner Association, of New Haven, Conn., both in opposition to restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. WILSON of New York: Petition of Williamsburgh Lodge, No. 103, Independent Order B'rith Abraham, Brooklyn, N. Y., and Ostolenker Lodge, No. 607, Independent Order B'rith Abraham, Brooklyn, N. Y., both opposing restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of New York Board of Trade and Transportation, New York, and the Maritime Association of the port of New York, both favoring free use of the Panama Canal by American ships; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Philadelphia, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. YOUNG of Texas: Petition of Farmers' Union, favoring restriction of immigration; to the Committee on Immigration and Naturalization.

## SENATE.

WEDNESDAY, May 22, 1912.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.  
The Journal of yesterday's proceedings was read and approved.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 18041) granting a franchise for the construction, maintenance, and operation of a street railway system in the district of South Hilo, county of Hawaii, Territory of Hawaii, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 2228. An act to establish Ashtabula, Ohio, a subport of entry in the customs collection district of Cuyahoga County, and for other purposes;

S. 6160. An act to authorize the Great Northern Railway Co. to construct a bridge across the Missouri River in the State of North Dakota;

S. 6161. An act to authorize the Great Northern Railway Co. to construct a bridge across the Yellowstone River, in the county of Dawson, State of Montana;

S. 6472. An act to authorize the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass.;

H. R. 14052. An act authorizing the Secretary of Agriculture to issue certain reports relating to cotton; and

H. R. 21590. An act to authorize levee and drainage district No. 25, Dunklin County, Mo., to construct and maintain a levee across a branch or cut-off of St. Francis River, and to construct and maintain a levee across the mouth of the Varney River, in the State of Missouri.

### PERSONAL EXPLANATION—ALASKAN GOVERNMENT.

Mr. BRISTOW. Mr. President, I rise to read a paragraph from a paper published at Olympia, Wash., called the State Capitol Record. The paragraph to which I refer reads as follows:

Senator Bristow, of Kansas, archinsurgent, does not think that the Senate is yet prepared with sufficient information to act on a Territorial bill. Hence he has secured the adoption by the Senate Committee on Territories, in executive session, of a resolution declaring that the committee will report no Alaska government bill until it has had the benefit of the report of the Senate committee appointed last year to go to Alaska and "investigate conditions."

The committee of investigation did not go last year because of the special session. There is small chance of it going this year because of the campaign. Under the Bristow resolution nothing will be done until it does go, travels through the Territory at Government expense, gets back, and has its secretary write up some sort of a report.

This article was written apparently by one Ashmun Brown. I desire to say that I never introduced any such resolution in the Committee on Territories and no such resolution has ever been introduced by any member of the committee, so far as I know. No such action was ever taken by the committee at any time, and there is no truth in the statement made.

I simply make the statement to correct this erroneous report because acquaintances of mine in the West have sent different newspaper clippings to me inquiring why I am opposed to legislation for Alaska, and the clippings are made up largely from